

**A Guide to Funding Alternatives
for
Fire and Emergency Medical Services Departments**

**United States Fire Administration
Federal Emergency Management Agency**

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EXECUTIVE SUMMARY

Stimulated by local budget pressures, fire and emergency medical service departments in the United States are using a wide array of fundraising approaches beyond traditional taxes.

These funding alternatives range from small *fees for special services* to major new sources of funds such as *benefit assessments*, which pay for as much as 40 percent of the budget for some fire departments. The alternatives include *impact development fees*, in which private developers pay for virtually all new fire stations and their associated apparatus and equipment, and *subscription charges*, in which households pay a flat rate and then are absolved from any further payments associated with emergency medical services beyond those covered by their medical insurance.

Fees for fire prevention services are being used to pay much of the cost of fire prevention, a part of fire department budgets that has traditionally received little public support and has been hard to fund adequately. The structure of fees for prevention also can play a significant role in shaping prevention strategies. To motivate safe behaviors and achieve better compliance with codes, departments are using a variety of *fees and citations* for repeat inspections, false alarms, and code violations.

Some fire departments now are defining the basic services covered by taxes to include only a small house fire, and charge for "additional services" such as dealing with emergency medical service, hazardous materials incidents, extinguishing larger fires, standing by at events, pumping flooded basements, and providing other technical services. Some fire departments are charging for rescues where the victim disobeyed public warnings, such as getting caught in flash

flood areas or violating water safety precautions.

Some fire departments are charging for fire suppression, knowing that household insurance policies will often cover up to a few hundred or a few thousand dollars for fees associated with fire protection.

And some fire departments are simply charging for everything, either through a subscription fee or a charge for each service.

Relation to Health Care Costs — A key part of new fire department funding strategies is the approach to emergency medical incidents, which now comprise two-thirds to three-quarters of responses in many fire departments. What was once a free service now often has charges for transport to the hospital, and, increasingly, charges for providing medical care even without transport.

EMS is a major role of the fire service, and increasing in sophistication and scope. The costs of EMS and who pays for them are — or should be — tied to the national public health care cost debate. As has finally been accepted for many other types of emergencies, the fire service and independent ambulance agencies are usually the first responders to acute medical problems and play a significant role in influencing how many people are introduced into the health care system, and in what condition.

The Implications of Funding Choices — Each agency providing fire-related or emergency medical services must consider the range of opportunities and the local and state constraints in shaping its funding policy and determining its budget. Funding influences the amount of emergency resources available, and the scope of prevention activities, which in turn influence life or death issues. The funding issue is not one to be left solely to accountants and finance officers; it is a vital public policy issue that can literally mean life or death in the community.

The choice of funding approaches also raises fundamental questions about governance and equity. Should only the users of local government services pay the burden of the services provided to them? Should fire protection and EMS be treated like insurance, in which the fees charged are a function of the risks presented? Should fire and EMS be considered services provided to people in need, with the costs spread evenly across society, with no "user charges"?

These are fundamental questions about our values and the role of government in society. Different communities are taking radically different positions; most seem uneasy about charging for services beyond what taxes cover, but the trend is in that direction.

This Report — The purpose of this report is to identify the various types of funding sources actually being used by fire and EMS agencies throughout the nation, and their pros and cons. The report includes financing alternatives for all types of fire and EMS departments — rural and urban, volunteer and career, agencies providing multiple services and those providing only fire protection or only emergency medical service. Examples are given of departments using the various methodologies.

The report includes funding of local services by local government, state government, federal government and the private sector. The types of funding sources are summarized below.

Major Local Government Funding Mechanisms

The wide variety of local funding approaches found in practice — and it is truly a very wide variety — can be grouped into several major categories.

Taxes — These include general property taxes, local income taxes and general sales taxes used to fund most local services, but also transient taxes, and other taxes earmarked specifically for fire and EMS services.

Borrowing — In addition to the familiar bonds used for purchasing capital equipment and facilities are "certificates of participation" (COPs). They operate much like home mortgages and are used to purchase equipment and facilities when the local jurisdiction is not allowed to use the more conventional debt instruments.

Leasing — Another way to avoid a large capital outlay, especially for apparatus is a leasing arrangement, often with a right to purchase at the end.

Benefit Assessment Charges — Administered somewhat like property taxes, these charges factor in not only size and type of property but also "benefits" from being close to fire stations, having reduced insurance, having special services available, etc. These charges are a way to get around property tax limitations and also can improve the equity of charges for fire protection.

Fees — These include small revenue producers such as fees for permits for new construction, special events and operating hazardous functions, to fees for inspections and violations of codes, to fees for special services for which charges were not made in the past, such as pumping water out of a basement or rescuing a boater or hiker, to fees for virtually anything a fire department does. Perhaps the most lucrative new category of fees are those for emergency medical service transport and emergency medical care.

Contracts — Fire departments are contracting out many of their services to provide all the fire protection and EMS care in neighboring jurisdictions, or to provide selected services for parts of jurisdictions, or to provide special services such as training, hazardous materials responses, and heavy rescue either under an annual contract or with a fee per usage or per student. Contracting often is mutually beneficial to both the department offering the service and the department purchasing the service.

Cost Sharing — Many fire departments are joining together to pay for new facilities or services to reduce the burden on each, especially where the facilities or services are not frequently used.

Subscriptions — Most commonly used for emergency medical service, this is essentially a form of insurance in which a household pays a fixed fee per year, such as \$35, and then does not have to pay anything additional for emergency medical service or transport it uses during the year. A major variation is where the subscription prevents any out-of-pocket expenditures beyond the subscription fee, but the local agency is free to charge the subscriber for fees that can be recovered from medical insurance or homeowners insurance. In either method, those not subscribing pay the full amount charged.

Impact Development Fees — New developments can be required to pay for the impact they have on capital purchases such as new fire stations and their full complement of equipment. Thereafter, the provision of services is paid the same as for existing development.

There are a wide variety of miscellaneous other funding sources described in the text. There also are organizational approaches such as consolidation and privatization that should be considered when rethinking approaches to funding fire and EMS services.

Federal and State Programs

In addition to the above sources in which the local government obtains funds from its server population through taxes or other approaches, local fire and emergency medical agencies also can obtain considerable funding from state and federal programs. Often the federal programs flow to the local level through state programs.

Many states provide direct funding of EMS squads, especially in rural areas. Many states offer grant aid and low interest loans to fire and EMS departments for capital improvement projects. On the other hand, some states have no funds for local programs. The report lists the funding available at the state level for each state. Among the state and federal sources identified were the following:

Fire Insurance Surcharges — These range from a fraction of a percent to a few percent of fire-related premiums to pay for fire and emergency medical services' programs. Local agencies do not tap into the surcharge funds directly, but rather through a variety of state programs.

Vehicle-related Fees — Vehicle registration and traffic citations may have fees added to help pay for emergency medical services, which often are needed to assist victims of traffic accidents.

Special State Grant Programs — Many states have crime, health, or fire programs in which grants are given to local governments for specific public safety purposes such as new arson control initiatives or improving the quality of emergency medical services. Often the grants are competitive.

General State Revenues — Many states allocate part of the taxes they raise to help support the local fire service, especially rural and volunteer fire agencies or those agencies considered most in need.

State-provided Services — Many states provide services that can be used in lieu of local services and funds, such as training of firefighters and regional hazardous materials teams.

Federal Grant Programs—There are a wide array of special purpose programs across the federal agencies. They are described in a separate pamphlet. (See reference on p. 76.) Some programs are not specifically earmarked for fire protection or EMS but can be used for those purposes, such as community block grants for improving cities, crime control initiatives (which often can be used for arson and juvenile firesetting programs), military surplus vehicles, and others.

Fire departments and EMS agencies in states without funding should consider what other states are doing, and decide whether to approach their own states for funding. The taxpayers pay for these services one way or another, but some approaches may be more palatable or more equitable than others.

Private Sector Sources

Volunteer fire and EMS companies raise much funds from the private sector. Public fire departments are increasingly using private donations, too, sometimes by setting up non-profit foundations. Among the private sector sources are the following:

Direct Solicitation — Volunteer departments often take the straightforward approach of door-to-door solicitation or direct mail solicitation.

Fund-raising events — Volunteers traditionally raise funds by bake sales, barbecues, carnivals, dinners, picnics, casino nights, sporting events and a wide variety of other fund-raisers.

Corporate Donations — Both volunteer and paid departments have been successful in soliciting grants and services from local and national corporations. These sources may be involved in safety (such as insurance companies, manufacturers of fire-related equipment, manufacturers of products involved in fires), or may just be interested in good public relations and in doing community service (such as fast food restaurants).

Private Foundations — Some communities are fortunate to have local foundations whose funds can be used for providing special public safety services, starting new services, helping low-income areas or other services allowed by their charters. Some national foundations also contribute to fire and EMS services.

Community Service Clubs — Many of these organizations welcome ideas for new safety programs they can help support.

Solicitations to the private sector can benefit from market research on the techniques that work best. Corporate donations and grants from foundations require expertise in preparing proposals tailored to the potential giver. Many fire and EMS agencies use professional fundraisers to assist in approaching the private sector.

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Providers of fire protection and emergency medical service should consider the wide variety of ways available to fund services and perhaps to improve the equity of paying for the service. Citizens often balk at new fund-raising mechanisms, and need to be brought into the discussion of the purpose and mechanism of the funding at the earliest. Changing the way public safety is funded can profoundly affect the way government is viewed, and change the unwritten contract between a government and its people on major issues such as representation and the purposes and goals of government. The considerations of alternative funding sources is not simply an accounting issue but rather a fundamental revisit to how we work together in a civilization.

I. INTRODUCTION

Budget pressures have forced local governments across the country to seriously consider reducing services, increasing efficiency, or finding new funding sources. The impacts of budget pressures have been especially complex for fire protection and emergency medical services to deal with because they come at a time when there are increasing concerns for firefighter safety, increasing demand for emergency medical service (EMS), and often an increasing array of other services required to be provided by fire and EMS departments such as responding to hazardous materials spills, urban search and rescue, and providing advanced life support. The addition of new services also offers new opportunities for funding: charging for the additional services can sometimes offset some or all of the costs of both the new and the old services.

Fire departments and emergency medical services need to know the range of possibilities for new funding sources, especially ones that have proven effective. They need more than just new concepts — what is theoretically possible — but rather what has been tried that works, and the pros and cons of the approaches. This report describes a long list of alternative funding sources that have been used successfully by local fire and EMS agencies.

Scope

This report discusses funding alternatives applicable to fully paid, volunteer, and combination departments. It includes public and private sources of funds or in-kind services. It is intended for small rural departments as well as large municipal departments.

The report includes funding sources for fire protection, emergency medical services, and other services such as those relating to technical rescue and hazardous materials. The report applies to organizations that solely provide emergency medical services, or solely fire services, or both.

Advantages and disadvantages are discussed for each funding mechanism to the extent they are known and not totally obvious.

Sources Used

In addition to an intense bibliographic search, many federal, state, and local agencies were contacted to inquire about funding sources they use. News about this study was widely publicized in fire service and EMS trade publications. Project staff and the contract monitor also contributed many examples. Some examples were obtained from management studies for individual fire departments, and from professional meetings where funding alternatives were discussed.

Organization of the Report

The report is divided into three major sections. The first section describes local funding sources. The second section discusses state and federal sources of funding. The third section discusses how private sources such as foundations or corporations may fund fire and rescue programs. Volunteer fundraising methods are also covered in this private sector chapter.

In each chapter, the funding alternatives presented apply to both fire and EMS departments unless flagged in parentheses after the title as applying predominantly to one or the other.

Many examples are given of funding alternatives used in particular jurisdictions. Where appropriate and consented, the name is given of a local contact knowledgeable about that jurisdiction's approach.

A note on EMS and fire department names — There is no uniform term to describe local organizations that provide an Emergency Medical Service — they may use "rescue" or "ambulance" in their name, and "squad" or "department" or other designations. Likewise, "fire department" may mean an organization that provides EMS, rescue and many other services. "Fire and Rescue" Department often means Fire and EMS and Rescue. In this report, the term "fire and EMS departments" is used to mean any local organization that does fire protection, EMS, or both. The ideas here apply broadly.

An Observation

Many of the alternative funding approaches presented here are ways to raise funds without raising overall taxes, or to live within a tax cap by using alternatives that are not technically taxes.

Another group of funding alternatives tries to change the behavior of users who put disproportionate demands on the system, by making the users, or at least unusually demanding users, pay for their service. But businesses, residents, and visitors often resent paying fees beyond their taxes, and often expect taxes to pay for all of their services. Any successful funding mechanism has to be well-packaged and "sold" to the community.

II. LOCAL SOURCES FOR FIRE AND EMS FUNDING

The major types of local funding sources for fire and EMS departments include taxes, benefit assessments, bonds, fees, contracting out, cost-sharing arrangements, and sales of services or equipment. Each has many variations. The sections below address each of these categories and some other alternatives, too.

TAXES

The most common source of funding for fire and EMS is taxes. They include property taxes, sales taxes, local income taxes, special taxes and property transfer taxes. These are only briefly described here because they are well known, and the focus here is on other more novel sources.

Local Property Taxes

Perhaps the most common taxes supporting fire services nationally are property taxes. They are usually levied at a set rate per dollar of assessed property value. Some fire district or EMS district taxes are considered property taxes and some are considered special taxes above property taxes.

Sometimes part of the property tax or a separate property tax is earmarked for fire protection or EMS. For example, in the State of Washington, there are complex rules earmarking parts of the basic property tax. Cities and fire districts in Washington can impose additional property tax levies specifically for EMS at up to 50¢ per \$1,000 of assessed property value. These levies are imposed for six consecutive years and must be authorized by at least 60

percent of the voters. At the end of the six years the public must vote again to continue using this source. The proceeds of the additional levy can be used for personnel costs, training, equipment, supplies, vehicles and structures.

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In California, two provisions of the Government Code authorize local governments to levy a special tax or an assessment for fire protection services. Several small California cities have adopted the special tax to supplement their general fund support for fire protection services.

One advantage of an earmarked property tax is that it produces revenues dedicated solely to fire and EMS. Another advantage is that the amount raised automatically increases with inflation of property values, as new assessments are made. A disadvantage is that it usually requires going to the voters to authorize starting the tax and again to continue it after a specified period. It can only be used up to a specified limit. Another disadvantage is that the tax funds automatically decrease when property assessments decline.

Local Sales Taxes

Many localities have sales taxes on various classes of goods and services sold in the community. These taxes go into general revenues that support fire and other services. A less common variation is a "transient tax."

Transient taxes are taxes tailored to raise money from visitors. The transient tax differs from a local sales tax in that it is applied to a narrower set of services or sales, those most likely

to be associated with businesses, visitors, or tourists. These taxes may be most useful in areas which serve large populations of visitors. Visitors often place a large demand on emergency providers, but may not directly or fully support the fire or rescue services through local property taxes for hotels, restaurants, etc., and their impact on general sales taxes. Transient taxes can make up for any inequity. The tax may be added to the cost of a hotel room or to the price of meals served in local restaurants (which would also affect residents). In this manner the burden of funding fire and rescue services is shifted somewhat from the local taxpayer to the visitors causing the increased demands upon the system.

This is an especially appropriate tax to consider for areas where the transient population is large relative to the resident population or where the transient population is responsible for a large proportion of the emergency calls. The City of Williamsburg, Virginia, for example, attracts a large number of business guests as well as tourists each year. According to the Williamsburg Fire Department, 2,105 of the 4,462 patients receiving ALS care in 1990-1992 were non-residents of the City. The City now charges a transient tax of 4 percent on meals and lodging, paid into the city's general fund, to offset the increased demand of visitors on city services. In 1992, the City of Williamsburg brought in over \$2,284,000 from its hotel and motel tax and \$2,818,000 from its restaurant tax.

Contact: Mr. Ray Adams, Department of Finance
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The obvious major advantage of the transient tax is that it is borne largely by non-voting outsiders, and painless for all but the tourist industry. The visitors may not like it, but if the tax is not exorbitant or not much higher than that in surrounding jurisdictions it may not affect demand. On the other hand, the possibility must be considered that increased taxes on food or lodging may indeed decrease the demand for those services and offset any gains made by such a

tax. They may lower overall business revenues and total taxes, not just those for fire and EMS, if they dissuade visitors from coming, or cause them to stay in neighboring jurisdictions. That possibility must be evaluated on an individual basis for each jurisdiction based upon the type and number of visitors, local economic conditions, and the taxes used in nearby, competing jurisdictions. Also, while a transient tax may be intended to be earmarked for fire and rescue services, often it will go directly into a general fund used to offset additional city services such as police, roads, etc.

Real Estate Transfer Taxes

These are special purpose taxes assessed at the time of sale of a property. Usually they are a percentage of the selling price of the real estate. Real estate transfer taxes sometimes have been levied to provide an additional source of revenue for public safety and public works projects. Proceeds from such taxes are pooled with other general fund revenues but can be like earmarked funds in effect.

Most often these taxes are used in areas with high single-family dwelling ownership. An advantage is, theoretically, improved equity: unlike property taxes which are passed on to renters and other lower-income taxpayers, much of this tax comes from those with incomes sufficient to own and sell real estate. First-time home buyers are often exempted from the tax. These taxes are a good revenue source even in recessionary times; the sale of property often generates a substantial revenue stream.

Another virtue is that they are easily collected taxes. They can be collected along with property taxes at the time of closing on the mortgage or when the deed transfer is registered.

Disadvantages include the taxes being opposed by real estate interests. Also, these taxes may require legislative approval. Most local jurisdictions must get special taxing authority from the state legislature before levying special purpose taxes.

One place using these taxes is New Castle County, Delaware, where it generates \$7 to \$8 million annually for supporting county EMS services.

Special Taxes

There are a variety of "special taxes" allowed in many states for special purposes. For example, Section 53978 of California's Government Code authorizes any local agency which provides fire protection or prevention services to propose by ordinance the adoption of a special tax. These tax revenues can be used for obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus, for paying the salaries and benefits of firefighting personnel, and for other necessary fire protection and prevention expenses. The tax may be levied throughout the entire jurisdiction or may be limited to specific areas or zones, but cannot be imposed on a federal, state or local government agency. The proposed tax must be submitted to the voters of the affected area and be approved by a two-thirds majority.

Rancho Mirage and Palm Desert are two small cities in California that have adopted the special tax for fire protection. Each charges \$60 per year per occupied dwelling unit. For vacant property, Rancho Mirage charges \$25 per year for each equivalent dwelling unit, while Palm Desert charges \$25 per year per vacant lot. Rancho Mirage originally passed the special tax in 1980, and in 1990 adopted a cost of living excise tax to adjust the tax revenue for inflation.

The special taxes in California can be levied by parcel of land or on the basis of the class of improvements to property or the use of the property. These factors can be used to estimate fire flow requirements, which in turn can be used as the basis for determining the amount of the tax. Additional factors that might be used to calculate the tax include: type of construction, square footage, occupancy factors, roofing material, and existence of sprinklers. They are therefore somewhat similar to benefit assessments (see below). In most cases the specific rates

are developed to complement revenues from other sources so that the total is enough to meet the amount budgeted.

Fire Flow Tax

The fire flow tax is something like a property tax in that a lien can be placed on the property if the tax is not paid. But rather than being based on assessed property value, it is based on a computed fire flow requirement, typically using an ISO formula for fire flow. In California, the formula is the product of three factors: the number of livable or usable square feet, a coefficient that depends on construction type, and a constant (18). For example, the coefficient is 1.5 for a frame house. The charge is based on a set number of cents per gallon per minute flow. If the occupancy is sprinklered, the charge is reduced 50 percent.

The rate per gpm is selected on the basis of the budget shortfall (that is, the amount not covered by taxes and other sources). The shortfall is divided by the square feet of property to get the average cost needed per square foot. The fee is then developed using the average gpm required per square foot.

The advantage of this method is that it generates large dollars, and the charge computation can be computerized and done automatically. The major disadvantage is that it is considered a tax (at least in California) and requires a two-thirds vote to use it. Voters have accepted it in some places and rejected it in others. Also, there are costs of going to the voters in an election, and that has to be paid for whether or not it passes. A number of fire departments in California use this approach.

BENEFIT ASSESSMENTS

A benefit assessment is a charge for service based upon the estimated benefit attributed to a potential user. The concept is to have a charge proportional to the benefits received by the owner, and not just to prorate the cost of service. The benefit is assessed on the basis of one or

more attributes of the property or occupancy, such as square feet, type of property, fire flow requirements, distance from fire station or other factors. Some states consider this different from a tax. In other states, this assessment may be defined as a tax, and may not be legal without a change in legislation. Often the permissibility of the use of benefit assessment charges depends on the method of assessment, and how similar it is to a straight out property tax.

In some places, the benefit assessment involves estimating the total square feet occupied by a property, and charging the owner of the property a fee based upon the amount of service required to protect that property — usually computed by a formula rather than a detailed analysis of the property. Deciding how much money to charge is somewhat complicated, and is based upon several factors. Typically a jurisdiction decides how much money it needs to raise beyond that obtained from other sources, then divides that amount into the total square feet protected, to arrive at an average assessment cost for an average property. Individual fees are then adjusted up or down depending upon whether the occupancy is high or low risk, by simple or complex formulas.

The downside to benefit assessment is that it may be cumbersome to undertake. In addition to legislative restrictions, which may need to be overcome in many states, fees for each property must be assessed in a fair manner, billed, and then collected. The ability to undertake such a project may depend largely on the cooperation of the local government's finance and tax collection departments. Citizens must be made aware that the assessment is specifically to maintain or improve fire and emergency services; otherwise it will be perceived as just another tax measure. Nevertheless, the benefit assessment can be an important financial resource for a department. Two successful but different versions of benefit assessment are used in Los Angeles County, California, and the State of Washington, as described below.

California — California's Government Code¹ authorizes any local agency providing fire suppression services to levy an assessment for the purposes of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus and for the purpose of paying the salaries and benefits of firefighting personnel. In contrast to the special tax authority, the assessment must be related to the benefits rendered to the property assessed.

The tax may be levied throughout the entire jurisdiction or may be limited to specific areas or zones. To levy the assessment, the City or County must pass an ordinance or resolution establishing uniform schedules and rates based upon the type of *use* of property and the *risk classification* of the structures or other improvements on the property. The risk classification may include, but is not limited to, the amount of water required for fire suppression, the structure size, type of construction, structure use, and other factors relating to potential "fire and panic hazards" (sic) and the costs of providing fire suppression.

Assessments on property devoted primarily to agricultural, timber, or livestock uses, and being used for commercial production of agricultural, timber, or livestock products must be related to the relative risk to the land and its products. Assessments for this type of property must recognize normal animal husbandry practices, on-site or nearby water availability, response time, capability of the fire suppression services and any other factors which reflect the benefit to the land.

Several procedures must be followed before an assessment can be levied. The local jurisdiction must submit a written report that contains a description of each lot or parcel of property, the amount of the assessment for the initial fiscal year, the maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year, the duration of the assessment, and the basis for the assessment. The local jurisdiction also must notify each property owner affected by the assessment at least two weeks prior to the hearing.

¹ Section 50078 of the California Code.

Property owners have the right to ask for a public vote and can even prevent an assessment from being levied. Written protests against a proposed assessment must be submitted before the hearing, and the City Council must consider all objections and protests to the assessment report. If the written protests represent property interests that collectively will pay less than five percent of the total amount of revenue, the City can adopt the assessment. If written protests that are not withdrawn represent property interests that will pay more than 5 percent but less than one-third of the total amount of revenue from the assessment, the proposed assessment must be either submitted to the voters for approval by a two-thirds of the majority, or abandoned. If the value of the protests equal one-third or more of the total expected amount of revenue, the assessment must be abandoned.

In Los Angeles County (California), the fire department has used a benefit assessment to offset a \$15 million budget shortfall, which would have required a reduction in service, closing of several companies, and a layoff of personnel. The benefit assessment was used to get around the property tax ceiling in California. The benefit assessment is not considered a tax in California, but rather a fee for services provided.

Los Angeles County categorized its properties based upon their likely service needs as determined by the county tax assessor's office. The average L.A. County property was determined to be a single family dwelling of 1,545 square feet. This house became the standard by which all other property were judged and was assigned a mathematical value (called a benefit use factor or BUF) of 1.0. The total number of BUFs available in the county (the sum total of all benefit use factors) was divided into the total amount of money the county needed to raise (\$15 million). The result gave the cost, or assessment, to be billed to each "average" property in the county. In this case, the average cost for each property was \$13.99. This cost would be multiplied by the BUF for a particular property to determine the cost for its protection. A

shopping mall of 16,000,000 square feet would have its BUF adjusted based upon its size, the type of fire protection present in the building, whether hazardous materials were present, etc. If the BUF for this property was computed to be 25.8, the charge to the owners would be 25.8 times the average cost per BUF (\$13.99), which is a charge of \$360.95. In this way, each property makes up the budget shortfall in proportion to the amount of relative benefit protection it gets from having fire protection service.

Although the Los Angeles County benefit charge appears to be quite like a property tax, it is not considered a tax there, and no notice has to be given for changes in it. However, if enough people complain about the charges, they have to be cut, which is the risk in using this approach. But taxes, too, can be voted down, so the approach is worth considering.

Contact: Chief John Gee
Los Angeles County Fire Department
605 N. Angeleno
Azusa, California 91702
(818) 963-2417

Washington — In the State of Washington, too, fire protection districts are authorized to use a service charge based on measurable benefits to property. Charges must be approved by 60 percent of the local voters and are authorized for a period of six years, like special taxes.

Benefit assessments are attractive in Washington because it not only has constraints on the total property tax, as in California, but also constraints on the allocation and prorating of various parts of the property tax. Local property tax allocations often fall short of the amount needed to fund fire and EMS.

Besides the obvious benefit of filling in the shortfall of property taxes, the benefit assessment charges have allowed some other changes and reallocations. One small rural Washington fire protection district (Mason 2) was able to reduce EMS charges per run from \$600 to \$200, and also improve their fire district rating and their training through use of the benefit charge. The Woodinville district used the benefit charges to equalize funding and help facilitate a merger between King County Fire Districts 36 and 42.

Relative benefit is computed in a more complex manner in Washington than in California. The State developed the criteria for use by fire districts in assessing the benefit received by the property owner; the charges are levied only by those individual local fire protection districts that wish to use them, not by the state.

The benefit charges are based on the type of occupancy, insurance reductions, fire flow requirements, distance from fire stations, special services provided, and a tanker credit in certain areas. The cost to a residence under this system varied in 1992 from as little as \$13.80 to as much as \$111.09 from one fire district to another, depending on the locality's needs.

The so-called *insurance benefit* factor is based on the fire district's rating, which is made by the Washington Survey and Rating Bureau (and not ISO). (1 is the best rating and 10 the worst.) A more favorable fire protection district rating causes a lower insurance rate per \$1,000 assessed value. Homeowners and businesses are in effect assessed part of the reduction in insurance they get when their fire district has a favorable rating, as part of the formula for computing the benefit charge. For example, a home valued at \$100,000 pays \$674 for fire insurance if the fire district is class 10, but only \$364 if it is class 2-6. The benefit of being in class 2-6 is therefore \$310. Part of this saving then is shared with the fire department, through the benefit assessment charge. For apartment houses, the insurance savings from being in a well rated fire district is even greater than for residences: a 30-unit apartment house with a \$2 million value pays \$38,000 insurance in class 10 and \$12,000 in class 4. Thus the insurance component of the benefit assessment charge is greater for commercial properties than for residences.

The ***fire flow*** factor is measured in gallons per minute. Residences were estimated to require 500 to 1,000 GPM, small businesses 1,500 to 2,500, and large businesses 3,000 to 6,000 GPM. The fire flow requirements are assumed to be reduced if the property is sprinklered. Charges are specified for each category, but reduced if sprinklered.

The ***special services*** portion of the benefit charge is meant to reflect services such as pre-fire planning, hazardous materials team, building inspections, heavy rescue service, citizen training, community fire awareness projects, and real estate development coordination. Three classes of special services were developed: class one, for residential properties up to four units, which are assessed a basic flat rate; class two, for commercial properties with sprinklers and no hazardous materials, which have a special services benefit charge based on square feet; and class three, commercial properties without sprinklers or with hazardous materials, which have the highest special services rate per square foot.

The ***response time*** factor, the benefit of being close to a fire station (whether fully staffed all the time or not), also is divided into three categories: 0-2 miles away, 2-5 miles, and greater than 5 miles. The benefit charge for these three categories might be \$15, \$10, and \$5 respectively.

A ***tanker credit*** is considered in the benefit charge computation in rural areas. It reflects the benefit of having a tanker in places not near a hydrant. Having the tanker also raises the rating of the fire district. The cost of tankers may be shared among several places. A small charge is made for those jurisdictions where tankers are readily available.

There are certain exemptions made in assessing a benefit charge. Senior citizens and disabled persons are exempted in part from the charges even though they are major users who might arguably be said to receive higher benefits. However, it was necessary (in Washington) to get their political support for the whole scheme, and there was no desire to cause them extra hardship, so they were granted this exemption even though it ran against the philosophy of the benefit charge system.

Benefit charges are limited in Washington State to paying for up to 60 percent of the fire district's budget, with the remaining 40 percent coming from property taxes. A total charge that averages \$3.12 per thousand dollars assessed value may be divided into \$1.87 from the benefit assessment and \$1.25 from the property tax. The property tax in turn has limitations and rules about allocations, so that \$1 comes from regular property tax and an additional 25 cents from a special EMS property tax.

The State of Washington set the benefit charge system in place for a six year period before it comes up for potential revision, as opposed to Los Angeles County Fire District's 20 years. The benefit charge is considered a tax in the State of Washington, even though it is a way around the property tax limitations. Property owners therefore can appeal their assessments individually.

The benefit charge is used only in fire districts in Washington, not in cities. Each jurisdiction may weight the various benefit factors by any percentage it desires to determine the total benefit charge. One department may choose to charge a rate based 25 percent each on fire-flow, special service, insurance rating, and distance; another department may choose to disregard distance and charge a rate based 50 percent on fire flow and 25 percent each for special service and insurance rating. How some fire districts chose to weight the benefit charges is shown in Table 1.

Table 1. Different Benefit Charge Weightings Used by Different Districts in Washington State ²					
Benefit Charge Element	King Co. No. 16	King Co. No. 36	Spokane Co. No. 4	Clark Co. No. 6	Mason Co. No. 5
Fire flow benefit	\$31.00	\$18.70	\$12.78	\$16.14	\$12.64
Distance benefit	31.00	*	12.78	16.14	25.28
Special services benefit	*	18.70	*	*	*
Total benefit charge (including other factors)	93.00	74.79	38.34	48.42	63.20
*Element not used in this district's formula.					

Contact: Ms. Ruta Fanning, Director
State Office of Financial Management
P.O. Box 43113
Olympia, Washington 98504-3113
(206) 753-5459

The Thurston County (Washington) Fire District #9 has used benefit charges for several years, and its citizens voted to retain the benefit charges for another six years. The district has an operating budget of about \$970,000 a year, almost \$300,000 from the benefit assessment. The district has been able to increase personnel, renovate their station, and purchase new equipment with their increased revenues from this funding source.

Average homeowners benefit, too, according to Thurston officials. The property taxes have remained the same or dropped since the benefit charge system was implemented, while property values have risen. Owners of large commercial property or apartment complexes pay a heavier charge than they would under a simple property tax system. The idea behind the program was to shift the funding burden to the high fire risk properties. The overall result is a

² "Legislation Increases Fire Department Funding," *Fire Chief*, p. 46, January 1991.

better and more equitably funded department which can provide superior service to the community.

Contact: Chief Michael Peters
Thurston County Fire District #9
4131 Mudd Bay Road, S.W.
Olympia, Washington 98502
(206) 866-1000

According to Washington State law, jurisdictions using benefit charges must limit their property taxes to \$1.00 per \$1,000 property value; areas that do not use the benefit charge may charge property tax up to \$1.50 per \$1,000 property value. Therefore, fire department managers and local officials must determine whether their funds would be increased or decreased by switching to the benefit charge system.

Benefit assessment charges are a major innovation and one of the best of the newer ideas found in this study. They can help pay for a significant part of fire protection and EMS, not just a few percent of the budget, as is the case with many of the other funding alternatives identified here.

BORROWING

Major capital improvements can be funded by borrowing money and repaying it over time. Two ways to do this are with bonds or certificates of participation.

Bonds

Bonds are essentially loans in which the principal is not paid until the end of a period, typically 5-20 years. Interest is usually paid along the way. Bonds are most often used for major capital improvements such as new fire stations, EMS facilities, training centers, or communications systems but also are sometimes used for apparatus and equipment. Bonds generally require voter approval. Sometimes they are used solely for fire-related facilities or

equipment and sometimes for a package of improvements for various municipal services. Bonds are a way to spread the cost of capital equipment over a long period of time. Bonds are well-known to municipal finance departments and not further detailed here.

Certificates of Participation

Many fire/EMS agencies and units of government are not allowed to issue bonds. An alternative is the "Certificate of Participation," or COP. The COPs are a financing mechanism somewhat similar to general obligation bonds, but the principal as well as interest gets paid along the way, like a home mortgage. They are used to fund large or complex financial obligations in a manner similar to leasing but without violating restrictions on debt financing. The borrower (or lessee) sells certificates of participation to investors (lessors) who agree to provide funds in exchange for repayment of the principal plus semi-annual interest payments on a fixed schedule.

For example, a township government wishes to finance the purchase of a new engine which costs approximately \$180,000, but the town cannot incur debt obligations or issue bonds. Two options for financing the purchase are to save funds for several years to accrue the capital for the purchase, or to lease the apparatus. However, few manufacturers or distributors lease fire equipment, especially custom-designed fire apparatus. Certificates of deposit offer a third option. The trustees of the township can hire an investment banker, bond counsel, and trustee to prepare the appropriate documents, offer the COPs securities for sale, and manage the disbursements of funds to COPs holders. In exchange for the capital to purchase the engine, the township trustees agree to make annual appropriations to repay the certificate holders and make semiannual interest payments. While the obligation remains outstanding, the certificate holders hold title to the engine through the COP's trustee.

The advantages of COPs are as follows:

- (They do not violate restrictions on long-term debt financing common among certain forms of government; e.g., townships, or imposed by state law.
- (They permit public entities to incur a continuing obligation without going into debt.
- (In some instances, they are the least costly public financing mechanism.
- (In most cases, they are tax-exempt, which attracts a large investor base.
- (Usually they do not require voter approval.

The disadvantages are:

- (COPs may be more expensive than direct lease or lease/purchase agreements for making relatively small purchases.
- (The risk to the lenders that the local government might not appropriate funds every year to finance the annual payment on the obligation generally makes them more expensive (higher interest rate) than general obligation bonds.
- (The costs of issuing COPs are higher than direct leasing. They involve a bond counsel, investment bankers, a certificate trustee, rating agency fees, and printing of investment documents. These costs must be added to the amount financed so they can be paid from sale proceeds.
- (To achieve favorable interest rates, a reserve fund may also be required. This amount must also be added to the amount borrowed.
- (The complex legal requirements associated with this type of financing may make it somewhat cumbersome and time-consuming to use.

Even though COPs do not require voter approval, care should be taken to ensure that they are broadly supported by the public in order to maintain annual appropriations to repay the

COP's investors. Failure to appropriate funds to make COPs payments could adversely affect the local government's credit rating, increasing the cost of other forms of public financing.

Another form of borrowing to finance fire equipment is lease-purchasing, discussed in the "Other Sources" section at the end of this chapter.

FEES FOR PREVENTION-RELATED SERVICES

A wide variety of fees are used by fire departments to offset costs of various services and to act as a deterrent or fine for dangerous or illegal behavior. This section discusses the fees that are prevention-related. Subsequent sections address fines and citations that are also prevention-related, and also fees for suppression, EMS, and special services.

Inspections to enforce building and fire codes are key elements in a proactive fire prevention program. Small investments in prevention resources often yield substantial benefits in reducing the risk from fire. Fees for prevention services, although a small part of the budget, can have a large impact.

Inspection Fees (Fire Only)

Although benefits of inspection programs accrue to the entire community, the major benefactors are the owners, employees, customers and clients of the businesses, institutions or multi-family dwellings that are inspected. The owners of inspected properties therefore can be asked to pay for some or all of the expenses of conducting the inspections from which they benefit. Inspection fees have long been used by fire departments to offset prevention costs, and are well accepted.

Some departments charge a flat fee for inspection of a certain occupancy type. Some inspection fees are based upon the type of inspection conducted (initial or repeat), the type of building (high-rise, taxpayer, etc.), and the square footage. Additional fees sometimes are charged if special hazards are present, such as hazardous materials storage areas.

Among the most frustrating problems for fire inspection personnel are reinspections, retesting, and rescheduling of appointments for fire protection system tests. Staffing cutbacks and increasing workloads have led many fire departments to institute fees (or raise fees) for reinspections, both to discourage contractors and businesses from taking fire inspectors' time for granted, and to encourage speedy compliance. Missed inspections, failed tests, and continuing violations (often from the second or third reinspection) often result in fees to compensate for the inspector's lost time, as well as to deter violations.

In some cities fees for inspections are not levied except for reinspections. Some cities only charge for inspections performed by field operations personnel, others for any inspection regardless of whether by a fire company or an inspector or civilian fire protection engineer. (Some states have laws that allow formal inspections to be made only by state-certified inspectors; line company "inspections" are then "informal," and cannot be charged for.)

The San Francisco Fire Department is one of many that charges fees for inspections to help recover costs for its Fire Prevention Bureau. The department conducted over 38,000 inspections in fiscal year 1990-91, and over 10,000 follow up inspections. Over \$1,120,000 in revenue was brought in from inspection fees with over \$365,000 from annual high-rise inspections alone. Reinspection fees accounted for almost \$50,000.

Contact: Charles Rapp, Port Fire Marshal
Port of San Francisco
Ferry Building
San Francisco, California 94111
(415) 274-0419
FAX (415) 274-0467

The Benicia, California Fire Department also uses inspection fees, but with a positive reinforcement twist — an interesting innovation. Benicia charges \$35 per company inspection. However, if the inspected property is found to be in compliance, or complies with Fire Department instructions before a follow-up visit, the fee is waived. If the occupancy fails to comply, the fee is applied for each fire department visit (usually \$105 for three inspections).

Contact: Captain Phil Davis
Benicia Fire Department
250 L Street
Benicia, California 94510-3272
(707) 746-4274

The City of Berkeley, California, implemented a fee inspection program in 1985 to help recover the cost of company inspections. The fee program was instituted along with a code citation program that enabled city firefighters to charge fees for code violations (like traffic tickets). The cost for a fire company inspection was established at \$75 per company hour. The average time for a simple inspection was estimated at about fifteen minutes, so a charge of \$18.75 was established as the base rate for inspections. Buildings whose size or complexity require more time for inspection are charged in multiples of the base rate. When the company returns for a reinspection, another inspection fee is charged if the violation is not corrected, and that may continue to a third inspection. If the building is still not in compliance, a large fine and court costs may be assessed. Code violators would have the fines dropped once they had brought their businesses into compliance, but the inspection fees would still be payable. Occupancies that are required to pay a permit fee to operate do not have to pay for the associated inspections. Examples are hospitals and nursing homes. Berkeley reported having

"phenomenal results" in compliance, and brought in \$119,000 the first year they did the billings internally.³

Contact: Chief Jim Brunetti
Division of Fire Prevention and Investigation
Berkeley Fire Department
2121 McKinley Avenue
Berkeley, California 94703-1584
(510) 644-6665

Portland, Oregon has developed a self-inspection program in which a business does its own safety assessment using a checklist provided by the fire department. Once any identified deficiencies are corrected, the business sends in a fee and receives a certification of inspection, without an inspector having actually visited. Self-assessments are still undergoing evaluation to see if the owners' adequately check their properties. Self-assessments only are useful for the simpler properties that do not require specialized knowledge to inspect. A mix of self-inspections and visits can also be used, for example in alternate years. Spot checks of self-inspected businesses also are useful. Self-inspections must be used cautiously and only where most owners comply in good faith. A good checklist needs to be sent to the businesses for the self-inspection. The main advantage of self-inspections is that they are very profitable — a fee is received for little or no work.

Contact: Acting Chief Lyn Davis
Portland Bureau of Fire & Rescue
55 S.W. Ash Street
Portland, Oregon 97204-3590
(503) 823-3726

³

"Berkeley's Fee Inspection Program," *American Fire Journal*, September 1985.

Issaquah, Washington charges fees for each inspection visit, and allows owners to schedule the inspections. The program has been able to cut down on the number of inspections required because people want to avoid the charge for a second visit, and do not schedule an inspection until they have already tried to get everything shipshape for the inspector. Although the surprise element is lost, the program still serves a very useful purpose if owners fix the major problems in their properties on at least an annual basis.

Portland, Oregon and Seattle, Washington, too, have reinspection fees. In Portland, once written notice has been given to a code violator, the department will charge a reinspection fee of \$50 for a second inspection and will charge \$75 for every subsequent inspection. In Seattle, code violators are charged \$100 for follow-up inspections done by the fire marshal's office after station companies have already conducted two reinspections without achieving any compliance.

Plan Review Fees and Permits (Fire Only)

Many fire departments review building plans for fire code compliance and inspect the installation of the fire systems during construction. The fire department often receives part of the permit fees paid to the jurisdiction for these services.

Fees also are charged for occupancy permits, special hazards permits, reviewing plans for renovating buildings, and reviewing new fire protection systems in existing buildings. Fees also are often charged for inspecting day care centers, hotels, hospitals, nursing homes, spray painting businesses, and other specific occupancies that require special permits to operate.

Fees also are usually charged for permits that are required for hazardous activities such as open burning, public events, use of fireworks, making of movies, using large tents; e.g., for circuses, and other special purposes.

One problem with plan review fees and permit fees is that they often are not set high enough to cover the costs of the services provided. They are among the traditional fees that developers, builders and others expect to pay but do not like to see raised from year to year. Local governments need to consider whether they want the fees to totally or partially cover their expenses for these (and other) services, and whether they want them indexed in some way or recomputed annually or at least every two or three years. Phoenix and San Antonio are two fire departments that have addressed this issue in developing their fee structure.

FEES FOR SUPPRESSION, EMS, AND SPECIAL SERVICES

Some departments charge fees for service as a penalty, and some charge simply to raise funds.

Fire Suppression and Rescue Fees

In some U.S. cities (and several other nations), people responsible for fires may be held financially accountable for their actions, and have to pay fire suppression costs, especially when negligence, code violations, or criminal activity are involved in causing the fire. Recovery of costs from the guilty parties may help deter these problems.

Depending on state law, cost recovery measures may need to be approved by legislative action. Taking people to court to recover funds, such as suing for costs after a large incident, are often not successful without previously enacted legislation.

American fire department officials generally have been reluctant to use the cost recovery authority. If a person has suffered a loss due to a fire, fire departments are not accustomed to having to bill for responding to the fire and do not like to do so. Questions of equity, ability to pay, and other policy issues make cost recovery a difficult issue to resolve. There also is concern that the knowledge of having to pay costs might cause people to delay calling the fire department, and instead try to extinguish fires themselves. Nevertheless, a number of fire

departments have identified instances where it is appropriate to charge those responsible for an incident, and do so.

The Ventura City Fire Department (California) has established guidelines for recovering costs for certain fire-related incidents, including unlawful discharge of fireworks resulting in a fire; intentionally set fires, including juveniles playing with fire; malicious false alarms; inadequate control of open burning; misuse of ignition sources; e.g., welding too close to combustibles, and incidents caused by the misuse of alcohol or any controlled substances, including vehicle accidents.

In addition to the Ventura City Fire Department's cost recovery procedures, the Ventura County Municipal Court has adopted procedures for ordering defendants involved in driving under the influence to pay for the emergency response costs incurred by the city, county, and state agencies. When a law enforcement agency files a complaint with the District Attorney, the complaint is clearly marked as an "Emergency Response Case," and after a conviction, steps are taken to assure that restitution is made to the agency. Liability is limited to \$1,000.⁴

Ventura has a recovery department that computes the charges for services based on a scaled list of costs. Fees are charged whenever costs are deemed "recoverable," that is, whenever someone is found to have caused the incident through negligence or other factors on their list. Costs have been successfully recovered for a variety of incidents. Fees are charged on the basis of personnel and equipment used. Examples of hourly rates range from \$37 per hour for a firefighter to \$165 per hour for aerial apparatus. (See the appendix for a copy of their recovery fee rates.)

⁴

Authority for this type of cost recovery comes from the following legal citations in California Code: 1203.11 PC and 53150-53155 GC.

Contact: Richard Corriger, Fire Marshal
Ventura City Fire Department
1425 Dowell Drive
Ventura, California 93003
(805) 339-4300

or

Kim Smith, Department of Recovery
(805) 339-4312

Bellevue, Washington also has cost recovery provisions in its codes. It attempts to recover costs when a person is convicted of arson, when uncorrected code violations result in fires, when repeat responses are made to situations involving illegal burning, when mitigation of hazardous materials incidents exceed two hours, and when there are more than six preventable responses to false alarms made to one occupancy.

Cost Recovery for Routine Fire and Haz Mat Calls — The use of suppression fees in the examples above were intended to have prevention and even punitive overtones, but suppression fees also may be used for routine calls, especially for volunteer fire departments. In December 1991, the rural town of Waterville, Minnesota, enacted legislation establishing a fee of \$300 per fire call. The town's 20-member volunteer fire department receives most of its operating and capital funds from a general property tax levy. The 1992 budget for the department was about \$55,000 (of which \$25,000 were capital funds earmarked for renovation of the fire station.) Among the operating expenses covered by the budget is \$7 per hour per firefighter for time spent fighting fires and attending required training. Limited resources and unfunded mandates to improve firefighter training and equipment forced the department to consider other sources of revenue, including the suppression fee.

The fire call fee is applied to all fire-related responses except false alarms. To preserve its status under the Minnesota Good Samaritan Act, Waterville charges no fee for EMS calls. Homeowners are billed for service and the bills are commonly paid by insurance companies. During 1992, the city billed for 12 calls and collected on all of them. Most of the money went to

fund additional training and equipment for the firefighters. Capital expenditures and general operating expenses are covered with revenues from the general fund.

Waterville uses an interesting array of other sources for its funds. In the past, the department has received support from the local Lions Club, a local bank, and others for purchasing a new rescue truck and EMS equipment. The Waterville City department receives revenue from Waterville Township for contract fire protection services. In exchange for fire protection service from the city's firefighters, Waterville Township provides the city with a water tanker and pays its fuel and maintenance.

Contact: Nickie Roberge
 City Administrator
 P.O. Box 9
 Waterville, Minnesota 56096
 (507) 362-8300

The State of Indiana in November 1991 empowered its local volunteer fire departments to charge fees for fires, and haz mat responses. The state provided a suggested fee schedule: \$250 per major apparatus (engine, ladder) and \$100 per command vehicles. For the crew time, the state suggested an additional \$150 per hour for vehicles other than command and \$50 per hour for a command vehicle. Further, the departments are encouraged to charge for the replacement of expendable materials used and for the costs of collecting and disposing of hazardous materials associated with emergency calls. Also, \$75 is charged for private vehicle-related run that is not a fire or haz mat incident; e.g., extrication from an accident. False alarms are not charged for. The volunteer departments in Indiana can choose whether or not to charge a fee and what fee structure to use; the state only suggests a fee schedule.

Scott Township, Indiana, for one, has been using these fees successfully; much of them are paid by insurance companies. Scott Township does not press anyone to pay if their insurance company does not cover the fees charged. The department encourages the insurance checks to be written out to the department. The department sends formal, business-like invoices for the fees. By looking business-like, they get treated more seriously. (The form they use is shown on the following page.)

Contact: Chief Jess Roberts
Scott Township Fire Department
12949 Darmstadt Road
Evansville, Indiana 47711
(812) 867-2931

Standby and Fireguard Fees

Also called firewatch fees, these fees are payments for having the fire service and/or EMS units standby at public events or large private gatherings where there is a danger of fires or accidents. (This might also be considered part of "special services" or "contracted-out services.") Typically the fee is based on the number of personnel needed times an hourly rate. The hourly rate may be based on direct pay, overhead-loaded pay, or overtime pay, and may or may not be further loaded with a "profit."

Example of Invoice for Fire Services

Scott Township Fire Department

Sorry, the form is not available in this file format. For a copy of the form, please contact William Troup at the U.S. Fire Administration on (301) 447-1231.

Sometimes fire, police and EMS agencies provide personnel who serve off-duty and are paid directly by the special event rather than through the municipality. Either way (on-duty or off-duty), protection is provided for a special purpose, and gets fully reimbursed for the service.

Hazardous Materials Fees

Haz mat responses are a costly, time-consuming, and dangerous activity for most fire departments. Unlike fires, even seemingly minor hazardous materials incidents can keep fire companies out of service for long periods, and present danger to the public and emergency agencies.

To offset the expense of providing hazardous materials response capabilities, some fire departments have adopted a hazardous materials storage fee. Revenue from this fee helps ensure steady income for training and equipping hazardous materials units.

The City of Fayetteville, North Carolina, for example, annually assesses properties that store hazardous materials. The fee is based upon the level of hazardous materials present as defined in North Carolina law. Administrative time, air monitoring, and tank removal fees were also established. In 1992 \$97,000 was recovered from these fees versus costs of \$117,000 for haz mat team operating expenses.

The downside of haz mat storage fees (and many other fees) is the "financial nightmare" that can be created at first by the attempts of the department to bill and collect fees for service by itself. Most departments have no expertise for doing this and do not like to have a reputation as a bill collector. In Fayetteville, the city's finance department now handles the collections, supervised by the city's risk manager. The fees are collected into the city's general fund, and

then redirected to the Fire Department. Fayetteville's schedule of charges for hazardous materials responses, and their 1990 ordinance to establish this can be obtained from the following source:

Contact: Ben Nichols, Hazardous Materials Division
City of Fayetteville Fire Department
101 Olive Road
Fayetteville, North Carolina 28305
(919) 433-1777
FAX (919) 433-1777

Many departments now charge for hazardous materials responses, both to offset costs and as an incentive for properly managing hazardous materials. The fee also helps replenish materials and equipment used to mitigate a spill or other release. Federal law now requires the owner or transporter of spilled hazardous materials to pay cleanup costs, including fire department and EMS costs, which helps justify these fees to the public, and makes it easy to start charging.

For example, the Casper (Wyoming) Fire Department charges a fee for haz mat responses, based upon the authority of the Uniform Fire Code as adopted by the City of Casper and Natrona County. According to Casper city ordinance, any "person, firm, or corporation responsible shall institute and complete all actions necessary to remedy the effects of such unauthorized discharge.....at no cost to the city (our underline). When deemed necessary by the Chief, cleanup may be initiated by the fire department." During fiscal year 1992-93, the fire department recovered enough to pay for the entire haz mat response.

Contact: Mark Young, Division Chief
City of Casper Fire Department
200 N. David Street
Casper, Wyoming 82601
(307) 235-8222

San Antonio, Texas charges \$400 for up to 4 hours of a hazardous materials response, and \$25 for every 15 minutes thereafter. (See Table 2.)

Table 2. San Antonio Fire Department Service Fees

Service	Fee
Hazardous materials response fee	\$400 for first 4-hours plus \$25 for each 15-minute increment over 4 hours
Water rescue fee	\$400 per rescue
EMS fee	\$225 per call
Fire protection system retest	\$50
Fire inspection reschedule (without 24-hours advance cancellation)	\$30
Fire prevention reinspection	\$30
Permits	Varies

Special Services

Fees for "special" services attempt to recover or offset the costs from the users of the service. These fees may be charged for services ranging from removing water from a basement to standing by at special events such as a football game or concert. The users often pay less than they would if they had to contract privately for the service, and often receive intangible benefits such as communication links that can quickly get additional forces to the event if an emergency develops.

The downside of these special fees (and fees in general) is that the public may expect these services to be provided routinely, without further charge, in return for their taxes. A public education campaign may be necessary to prevent discontent and resistance. Special Service fees

can be presented to the public as improving equity to all taxpayers, by not using everyone's taxes to subsidize those who use the special services.

When setting up special service fees, the same approach can be used as for other cost recovery fees. One must first estimate the cost of the service, and then tentatively decide how much of it is to be recovered. The reasonableness of the resultant fee then is judged, and the fee-setting iterated if necessary. Costs may be computed on an incremental basis; that is, what it costs the jurisdiction above the base of other services provided. One might not include salaries other than overtime if the staff providing the service would be paid anyhow, and no additional staff needs to be hired. The cost also might be computed on a fully-allocated cost basis—the proportionate share of all costs needed to provide the staff and equipment for the service, including salaries. The fee also may be set by some other philosophy, such as what the market will bear. Once the basis for the fee is determined and a charge for the service selected, the local jurisdiction may wish to formally adopt the special service fee schedule as part of its local ordinance.

The San Antonio (Texas) Fire Department is one of many departments using special service fees to meet expanding demands for new services, and to dissuade dangerous behavior. On May 6, 1993, heavy rains inundated San Antonio. Several motorists became stranded as they attempted to drive through low-lying areas where storm water runoff had accumulated. For receiving emergency assistance from the city to extract them from the dangerous flood waters, the people rescued received invoices for \$400 from the Fire Department. Some residents expressed dismay at this charge, calling it a fine, and challenging the fairness of charging people in distress for a needed service. However, city officials viewed the matter differently. The \$400 fee had been authorized by the San Antonio City Council in September 1991 to discourage residents from taking foolish chances attempting to cross dry creek beds or drive through flood zones. City officials were encouraged by the attention generated by levying these fees and hope many residents will recall this incident and think twice before taking unnecessary chances.

Note that even the U.S. Coast Guard now charges fees for rescues and various services. And a Search and Rescue Team successfully used to find skiers lost in the Aspen, Colorado resort area in a well-publicized story in early 1993 charged those rescued for the rescue service because they had violated safety precautions. So this concept is not unique to San Antonio.

The San Antonio water rescue fee is only one of a number of Fire Department service fees San Antonio enacted in the past 15 years, as shown in Table 2 above. These include fees for storing hazardous materials, a hazardous materials response fee, fire prevention permit fees, fire protection system permit and plan review fees, and retest, reinspection, and rescheduling fees. Some of the fees are designed to generate revenues, while others are intended to discourage unwanted business.

Contact: Jimmie Contreras, Finance Officer
San Antonio Fire Department
115 Auditorium Circle
San Antonio, Texas 78285
(512) 299-8406

The concept of fees for "special" (non-routine) services has been broadened in many fire departments to include fees for routine services where specific individuals, businesses, or organizations benefit disproportionately relative to the general taxpayers, even though the service provided is often in the public interest. For example, fees might be charged for delivering CPR training sessions to the public.

The City of Issaquah, Washington, operates on the philosophy that "any service is potentially billable." They try sending a bill for various "special" services. Some people won't pay the bill, but many will. They charge for any service that is considered beyond "normal." This includes:

- (A fire that got out of control where a permit was issued for controlled burning.
- (Services provided on the nearby interstate, especially if outside the county, and especially if EMS was involved.
- (Any EMS transport.
- (Use of foam.
- (CPR classes and First Aid classes (\$150 per student).
- (Any response to county buildings (which don't pay taxes).

In addition, they charge fees for inspections, burn permits, do vehicle maintenance on contract to others, and receive a grant for dispatching for other agencies. Issaquah doesn't try to live off the dollars from these special services, but uses the fees to augment the services that can be provided.

Contact: Chief Ron Haworth
24520 S.E. 24th Street
Issaquah, Washington 98027
(206) 391-1007

Training Fees

Some departments recover part of the costs of training facilities and training staff by charging fees for any training provided to other local governments, or the private sector. The charges may just offset costs, or they can be set to create a net income. Sometimes the training is done for a fee per student and sometimes it is provided under a contract.

When considering the use of training as a source of revenue, several factors should be addressed to make sure that the training of others does not adversely affect training in one's own department. Many departments are strapped to the limit or unable to provide all of the diverse training required today for EMS, haz mat, etc. The department offering to train others must make sure it has the personnel and facilities available to provide the training, without overloading its instructors or interfering with its own scheduled training. Also, serious

consideration should be given to the liability that may be incurred by providing training. The local risk manager and government attorneys should be consulted; e.g., what if someone being trained from another jurisdiction falls from the training tower?

On the benefit side, training can be a successful revenue source, and a way to maintain training specialists such as fire protection engineers or haz mat instructors that the department cannot afford full-time on its own.

In addition to fees for training others in fire protection or EMS, many departments train private citizens and businesses. Training such as CPR courses, public safety seminars, and fire extinguisher classes require relatively few training resources and fit well with the mission of fire departments, rescue squads, and emergency medical organizations. They can be quite profitable, too.

Training for fees is not limited to large fire departments: the Benicia, California Fire Department serving a community of under 20,000 population offers training programs to municipal governments, private industry, and other fire agencies. Topics are not limited to fire or rescue. Many for-profit courses are offered in diverse subjects ranging from equal employment opportunity/affirmative action to leadership development and to CPR.

Contact: Captain Phil Davis
Benicia Fire Department
250 East L Street
Benicia, California 94510-3272
(707) 746-4274

The Fairfax County Fire and Rescue Department (Virginia) also provides training to outside agencies. The Fairfax training academy operates with a \$1.2 million budget. In 1992, \$58,000 was recovered through fees charged to outside agencies and citizens. Almost \$33,000 came from CPR classes provided to the public, and the remainder from training provided to surrounding counties and to the United States Government. Fairfax attempted to fully recover the costs for providing this training. However, they found that in fact, most of their courses fail to break even. They plan to increase costs for some programs, and reduce the availability of others. The outside training is limited by the amount of training that must be provided to their own personnel.

Contact: Deputy Chief Edward Plaugher
Support Services Division
Fairfax County Fire & Rescue Department
4100 Chain Bridge Road
Fairfax, Virginia 22030
(703) 246-3979

Providing training to others may or may not raise revenues but almost always provides a useful service. Communities need to decide whether they are doing the training altruistically or to raise revenues, or to help pay for certain specialists and facilities, and set fees accordingly. The courses offered have to draw some minimum attendance to be worthwhile.

Emergency Medical Service Fees and Charges

For many fire departments, emergency medical services, are offered as part of their basic public service package. However, as the demand for EMS has increased, jurisdictions have begun to look for ways to offset some of the costs of operating EMS and the firefighting infrastructure that supports basic and advanced life support services. Communities provide EMS in a variety of ways, and a number of different revenue policies have been tried. Most jurisdictions that provide ambulance transportation either charge transport fees or offer subscription plans (described in the next section). Fees for the medical supplies used have also

been adopted in some places. Some jurisdictions also have added charges for treatment where no transportation is provided.

In 1976 San Antonio, Texas adopted an EMS user fee schedule which charged varying amounts based on Medicare reimbursement rates for each of the procedures performed by field paramedics. In 1991, the cumbersome rate schedule was replaced by a simpler \$200 flat fee for service. In 1992, the fee was raised to \$225 per call. Note that this fee is not for transport, just medical care. The Fire Department contracts with a private firm to issue invoices and collect the EMS fees. Each month the firm receives a computer tape of all EMS reports for the purpose of generating the invoices. Every patient treated by EMS is sent a bill. Most are paid by third parties. Delinquent accounts are not aggressively pursued. Collections vary between 53 and 57 percent per month.

The EMS service fee has been successful in paying for approximately 85 percent of the cost of maintaining the city's 21 advanced life support units. Similar fees have helped the Fire Department maintain existing service levels, and in some cases engage in new services.

Transport Fees — In a number of cities, fire departments provide transport to hospitals and other medical facilities after administering on-site care. Some jurisdictions provide transport services only to time-critical patients, some to all advanced life support patients, and some to all patients requiring emergency ambulance transportation from EMS calls, regardless of whether ALS or BLS. Depending on the service and costs, the fees vary across the country, typically in the range of \$200-600. Many cities base part of the rate on mileage and consumable supplies. Rates also may reflect situations where multiple patients are transported in the same ambulance.

To collect fees for EMS, a city must establish a means to bill and collect the fees from its users. This process is often contracted out to a private collection service, as San Antonio does. Collection policy is an issue — under what circumstances do you press or not press for collection of the fee? Although health insurance often covers all or a portion of transport fees, payments to the fire department may be delayed until the users receive their reimbursements. Direct billing of the insurance carrier is most efficient, but health insurance, such as Medicare, may not pay the full cost of the transport. And for those users without insurance coverage, payment may be difficult to collect.

Some cities charge a differential for ALS transport vs. BLS transport. The following are examples of transport fees that were levied in three California cities in 1992:

City	ALS Fee	BLS Fee
Campbell (Fire Department)	\$457	\$276
San Clemente (Fire Department)	\$450	\$300
San Francisco (EMS Department)	\$485	\$270

The Omaha, Nebraska Fire Division charged \$140 per transport in 1992. They staff eight paramedic ambulance units with two firefighter/paramedics per unit. In 1992, the Fire Division responded to approximately 15,000 EMS calls, with transports made in 10,000 of them. For billing, Omaha contracted with a private collection agency that sent the bills and followed up with patients and insurers to collect fees. Most of the bills are paid by insurance companies. In 1992, the collection agency had a 60 percent collection rate and received \$7 per account for its services regardless of whether it recovered the fee. In January 1993, a new collection agency took over the contract and receives 9 percent net on all accounts collected. Only those accounts the contractor deems collectable are billed. For the first two months of 1993, the collection rate was between 33 and 47 percent. However, city officials report that the collection rate is improving steadily as people respond to outstanding bills. They expect the revenues under the new contract to remain comparable to the 60 percent rate achieved by the first contractor. Fire

and EMS agencies need to consider the bottom line obtained by their billing service, and not just the rate the collection agency charges for billing.

Contact: Deputy Chief Richard Mangiameli or
Joan Minelli, Manager-Management Information Systems
Omaha Fire Division
1516 Jackson Street
Omaha, Nebraska 68102
(402) 444-5700

In Volusia County, Florida, a non-profit private ambulance company hired by the county does almost all EMS transport and charges a fee. The twist here is that the county pays the shortfall between fees collected and the costs.

The Alachua County, Florida, Fire & Rescue Department protects over 200,000 residents spread over 950 square miles, and the University of Florida. Alachua County responded to over 27,000 calls for emergency assistance in 1992. The total department budget is about \$10 million, almost half budgeted for emergency medical service. For ambulance transports and medical care they collect about \$2 million in fees per year. Their detailed fee schedule is shown in Table 3. Billing is done in-house by three clerks and a supervisor. An outside collection agency is contracted to go after delinquent patients. Alachua County claims a recovery rate of about 60 percent. In order to bill insurance agencies for service, state legislation had to be changed that prevented local governments from collecting insurance reimbursements.

Contact: Mike Cooksey, Deputy Chief
Alachua County Fire & Rescue
P.O. Box 548
Gainesville, Florida 32602
(904) 338-7361
FAX (904) 374-5298

Table 3. Alachua County Fire/Rescue Fees and Charges for Service

Advanced Life Support (ALS) Trauma Fee — \$400

Charged to each trauma patient when an ALS emergency response is provided and the patient is transported by any ground or air ambulance. This fee is inclusive of any of the following procedures. Ventilatory support and oxygen are extra.

- Intravenous Insertion - (includes catheters, administration sets, blood samples and fluids)
- Cardiac Monitor
- Endotracheal Intubation
- Esophageal Gastric Tube Airway Placement
- Sterile Burn Pack
- Airway Suctioning - includes connecting tube and catheters
- MAST Suit - only when inflated
- Spinal Immobilization - includes backboard, K.E.D. (as needed), straps, Philadelphia Collar and head immobilizer
- Sterile Bandaging - includes 5"x9," 8"x10," multi-trauma and/or bandaging
- Mechanical Extrication
- Simple Splinting - air, ladder, padded board
- Traction splinting
- Medications (see attached list)

Advanced Life Support (ALS) Medical Fee — \$345

Charged to each non-trauma medical patient when an ALS emergency response is provided and the patient is transported by any ground or air ambulance. This fee is inclusive of any of the following procedures:

- Intravenous Insertion - (includes catheters, administration sets, blood samples and fluids)
- Defibrillation/Synchronized Cardioversion/External Pacing
- Endotracheal Intubation
- Esophageal Gastric Tube Airway Placement
- Obstetrical Kits
- MAST Application

Basic Life Support (BLS) Fee — \$180

Charged for BLS transport.

Table 3. (Continued) Alachua County Fire/Rescue Fees and Charges for Service
<p>Non-Emergency Transfer — \$170</p> <p>Charged to each patient transported when the response to the incident location and to the patient's destination is non-emergency; e.g., transport of a nursing home resident to the hospital.</p>
<p>Ambulance Membership Subscription Fees</p> <p>Single Membership - \$40 Covers the uninsured portion of bill(s) for medically necessary ambulance service originating and terminating in Alachua County for a 12-month period.</p> <p>Family Membership - \$65 Covers the uninsured portion of family members bill(s) for medically necessary ambulance service originating and terminating in Alachua County for a 12-month period. Family members are defined as heads of household, spouses, and children under the age of 18 living in the same household.</p>
<p>Return Patient Transfer — \$85</p> <p>Charged to patients that are returned to their original point of destination within eight (8) hours from the time they were originally transported by ACFR.</p>
<p>Paramedic Assessment Fee — \$85</p> <p>Charged to each patient that receives any of the procedures listed under the ALS Trauma or Medical categories but not transported via ground or air ambulance. (Will not be charged when a Cardiac Monitor is used to confirm death.)</p>
<p>Special Event Standby:</p> <p>ALS Ambulance — \$85 (Additional Staffing at \$18/hour per person) Time is calculated from scheduled arrival to actual time of departure as documented by the dispatch card.</p>

Table 3. (Continued) Alachua County Fire/Rescue Fees and Charges for Service

Supplemental Charges:

Ventilatory Support — \$45

A supplemental fee charged any time an Ambu Bag or Bag Value Mask is used to assist or provide artificial ventilation.

Oxygen Administration — \$30

"D," "E," or "M" Cylinder or any part thereof to include positive pressure, disposable mask or cannula.

Mileage/ALS Medical, ALS Trauma, BLS - \$4.75/mile (Minimum one mile)

Charge will begin when transporting patient(s) or specialized teams. All patients transported will be charged the full mileage rate regardless of number of patients transported from same incident.

Mileage/Non-Emergency Transfer — \$3/mile (Minimum one mile)

Charge will begin when transporting patient(s). All patients transported will be charged the full mileage rate regardless of the number of patients transported at the same time.

Special Handling — \$45

Charge for unruly patients that require restraints, or if two rescue units are required for lifting purposes.

Waiting Time — \$28/per 1/4 hour

Charged when a rescue unit team is required to wait at a medical facility or airport with a patient. A minimum of 15 minutes waiting time must accrue before charging.

**Table 3. (Continued) Alachua County Fire/Rescue Fees and Charges for Service
Medication Included in Base Rate**

Activated charcoal 25 gm. Adeno card 6 mg. 2 ml. Albuterol inhalant Atropine 1 mg. 10 ml. Benadryl 50 mg. Bretylum 500 mg. Calcium Chloride 1 gm. 10 ml. Dextrose 50% 25 g. 50 ml. Dopamine 5 ml. Epinephrine Multi Dose Epinephrine 1:10,000 10 ml. Epinephrine 1:1,000 1 ml. Hydralazine Lasix 4 ml.	Lidocaine 2%, 100 mg. 5 ml. Lidocaine 1 gm. 5 ml. Magnesium Sulfate Methylprednisolone 1,000 mg. Morphine 10 mg. Narcan .2 mg. 2 ml. Nifedipine 10 mg. capsule Nitroglycerine 0.4 mg. spray Sodium Bicarbonate 8.4% 50 ml, and 4.2% 10 ml. Thiamine Valium 10 mg.
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The Lake Worth Fire Department in Palm Beach County, Florida, is another that uses transport fees to help raise revenues for its emergency medical services. The department charges a base rate of \$225 for advanced life support, and \$190 for basic life support. Oxygen costs \$25. An additional charge of \$5 per mile of transport is also assessed. These fees were established by reviewing charges from other EMS providers, both public and private, and choosing a middle value. The department was able to outbid other care providers to provide EMS in the City of Lake Worth. Billing is done through a private company that charges 45 percent. The department is currently switching to another billing agency that will only charge 25 percent. (In some areas of the country, billing services are so competitive that some companies may be contracted for less than 10 percent.)

The Lake Worth Fire Department serves an ethnically diverse and elderly population in a 5 square mile metropolitan area. The department runs about 5,500 calls per year, operating 2 ALS medic units and 1 paramedic engine company that responds with a transport vehicle. The department budgets \$410,000 towards EMS; over \$162,000 is generated from the ambulance

transport fees. The department also uses several other revenue enhancing programs, and plans to move toward a subscription-based EMS service in the next few years.

Contact: Sam Brandsma, Chief
Lake Worth Fire Department
1020 Lucerne Avenue
Lake Worth, Florida 33460
(407) 586-1714
FAX (407) 586-1777

A potential downside to charging fees for EMS is that it may jeopardize the "Good Samaritan" protection for many EMS providers, especially in volunteer organizations. This may also lead to higher departmental insurance charges. Departments exploring billing should check with their insurance companies and local attorneys to make sure their personnel are still protected from liability under state statutes.

Also, it is extremely important to get expert legal advice before billing for EMS services to insure that requirements of Medicare and Medicaid are met to avoid fraud and abuse charges.

SUBSCRIPTION FEES

Emergency Medical Services and fire protection are being provided in some jurisdictions using subscriptions. These are small annual fees paid by participating households or businesses to avoid large special service fees if they use the service.

The concept of subscriptions dates back to the early years of our nation, when fire marks on buildings indicated which fire service had been subscribed to, if any. The modern version of

subscriptions is essentially insurance against being charged a large fee when a fire or need for EMS occurs.

Fire Protection Subscription Programs

Fire protection is offered by subscription much less frequently than are EMS services. Subscription fees for fire protection are, however, used by some volunteer departments. The Tontitown Area Volunteer Fire Department in Arkansas covers 35 square miles and protects 2,500 people. It responds to approximately 125 calls for fire and medical assistance each year. Established in 1979 as a non-profit organization, and receiving no tax funds, the department included a subscription membership program as part of its articles of incorporation. Subscribers are not charged for emergency calls. Non-members are charged \$200 for the first hour of fire department operations, and \$100 for each additional hour. These charges are often recovered through insurance payments. The fire department may, under Arkansas law, place a lien against a property for failure to pay, but this has never been necessary.

The subscription fee program consists of two types of payments, an initial fee set at \$100, which covers entry into the Fire Association and the first year's dues, and an annual fee set at \$25 a year, to maintain membership. Businesses or families may enter the Association at any time, and membership renewals are due the first of January each year. In 1993 the Tontitown Area Fire Department estimates that there were 850 memberships, covering about 60 percent of the 2,500 citizens protected by the fire department. The annual subscription fees raise about \$20,000 to \$22,000 for the 23-member department, allowing the operation of seven pieces of apparatus from two stations. (Tontitown also raises additional funds through an annual carnival and State grants.)

Contact: Chief Duane Atha
Tontitown Area Fire Department
P.O. Box 42
Tontitown, Arkansas 72770
(501) 530-2776
(501) 751-4510

The Masonville Fire Department in Kentucky is another volunteer department that has successfully used subscription fees. They provide protection for 2,900 homes. Masonville's budget is \$37,000-\$40,000 a year, most of which is supplied through subscriptions, with additional funds from Kentucky State grant programs. These funds allow Masonville's 30 volunteers to provide service from two stations.

Masonville charges \$25 a year per household, \$50 a year per commercial property (including schools and churches) and \$150 for industrial property. Over 56 percent of the eligible property owners subscribe to Masonville's service. For those citizens that choose not to subscribe, service is provided for a fee. Non-subscribing residential property owners are charged \$300 for the first two hours of service, \$95 for each additional hour, and \$2 per mile traveled. Non-subscribing industrial property owners are charged \$500 for the first two hours of operations.

Contact: Chief Mark Luckette
Masonville Fire Department
7050 U.S. 231
Utica, Kentucky 42376
(502) 729-4068

In the past, subscription programs for fire protection created controversy when they refused to extinguish fires in non-subscribing households. Some people may still think that if they do not subscribe to their fire department, they will not receive service, rather than be charged a fee. Communities considering subscription programs need to inform their public about the planned rules, and reduce the misconceptions.

EMS Subscription Programs

In a growing number of jurisdictions, EMS subscription fees are being used as an alternative to directly charging users of emergency medical transport services. There are two basic types of subscriptions. The first is a flat yearly fee per household, which covers all charges for any EMS service provided. In the second variation, a small annual fee covers all expenses not paid by medical insurance. The user signs up for the program and authorizes the city to file reimbursement claims directly with the user's health insurer when transport services are provided. Most insurance plans do not cover the full cost of transport, but the jurisdiction writes off the uncovered portion of the fee; i.e., the jurisdiction does not try to collect the remaining balance from the user. If not a sub-scriber, the user is charged the full transport fee and is directly responsible for paying it.

San Clemente, California offers an annual subscription for \$35 for a household and \$150 per location for institutions. The subscription covers all members of the household for as many times as emergency services are needed during the year. Routine transfers from hospital to hospital or home to hospital for non-emergency treatment and to doctor's offices are not covered.

In Lane County, Oregon, FireMed offers a membership program which, for \$35 a year, provides not only emergency ambulance transport, but also physician pre-authorized non-emergency transport, neonatal ambulance service, paramedic rescue, and transport between medical facilities. The non-subscriber fee for EMS, including transport to the hospital, is \$485. If no transport is used, the fee is \$242. For a subscribing household, the fire service would send a bill to the subscriber's medical insurance for any services rendered, and the household's out-of-pocket (deductible) expenses would be waived. If the household had an ambulance bill of \$485, and their insurance coverage pays 70 percent, the \$35 annual subscription would take the place of the \$145.50 co-payment.

FireMed had approximately 50,000 subscribers and 9,500 responses in 1991. It covers a primary area of over 3,000 square miles and is a service of the Eugene and Springfield (Oregon) Fire and Life Safety Departments.

As was noted earlier in discussing direct charges for EMS services, it is important to get legal advice when setting up a subscription program so that requirements of Medicare and Medicaid are met by the approach taken.

DEVELOPMENT IMPACT FEES

Significant amounts of money can be raised through "impact fees" or "development impact fees" in which developers are charged a fee for each new structure or development they build to help pay for the fire and EMS capital resources to serve their area. Development impact fees are most pertinent to communities that are growing or where redevelopment creates a need for new fire stations, apparatus or other resources. The main advantage of these fees is that the private sector pays for much of the new stations, apparatus, and land. The main negative is that the department is encumbered to staff and operate the new stations indefinitely, and must not start up more stations than it can afford to staff for the long run.

The Orange County, Florida Fire and Rescue Division, for one, has made excellent use of this approach. Ventura County, California is another. In Orange County, the impact development fees are collected by battalion area, and must be spent within that battalion area by local law. A new development in one battalion's area cannot be used to fund the purchase of a station in another battalion's area. However, the concept was extended to include countywide "enhancements of service, where funds from all five battalion impact areas are tapped to provide new types of equipment used for the entire county. In this manner, an air and light truck was purchased, with its associated equipment, and another unit for tunneling and shoring in urban rescue operations is planned. Equipment for EMS can also be purchased with the impact fees. Only first-time purchases of equipment are allowed; replacements of breathing apparatus,

protective outfits, and refurbishment of equipment previously purchased under development impact fees is not permitted, by interpretation of the Orange County Commission.

In locations where new areas are being incorporated, and fire protection boundaries shifting, care must be taken that stations approved by one department through impact fees are not soon "dropped" on another community to staff indefinitely. Regional planning and cooperation can help avert problems.

Contact: Chief Mitchel Floyd
Orange County Fire & Rescue Division
4700 Lake Underhill Road
Orlando, Florida 32807
(407) 658-6901
FAX (407) 249-6212

FINES AND CITATIONS (FIRE ONLY)

As discussed earlier, some communities charge fees for negligent fires or for re-inspections associated with failure to comply with codes. But in some places the punitive nature of these charges is more directly advertised by calling them fines and citations.

Citations

Most fire departments are ready to help people correct code violations and prefer to achieve compliance through a cooperative effort rather than through legal or financial means. However, some departments have stimulated a decriminalization of some fire code violations to allow fire inspectors to cite violators with the equivalent of a traffic ticket without having to prosecute them in court. The citations are also used to raise revenues (as are tickets).

The ability to issue citations provides inspectors with another tool to encourage violators to comply. It can be more effective and less time consuming to issue a "ticket" than to go through all the steps needed to bring someone to court, and they may not be punished in the end. Effort should be made to achieve compliance without using this authority, but in situations where departments are unable to get the code violations resolved through cooperative efforts, fines might be levied. To implement this alternative, a department has to determine what codes are appropriate for decriminalization, establish an appeal process, and establish a method for enforcing the collection of the fines.

While local law drives some jurisdictions to decriminalize code violations to use citations, other jurisdictions go the opposite way and select code violations to be criminalized to achieve the same end. One needs to understand local and state law to decide whether criminal or civil law works best for these purposes in a particular community.

The San Francisco Fire Department started a citation program circa 1990. City ordinances were changed so that fire code violations became a criminal offense, either an infraction or a misdemeanor. All fire operations officers at the rank of captain and above, all code inspectors, and all fire investigators were given the authority to issue citations similar to traffic tickets for fire code violations. After initial warnings, citations are issued, with fines typically starting at \$100. The fines double for a second offense, and double again for a third offense. San Francisco businesses are said to have greatly increased their compliance with fire codes since this program was started. The fire department has an easier time in pursuing repeat offenders through the criminal courts system than through the civil courts.

In San Francisco, fire code violation revenues go directly into the City general fund, but the fire department has been successful in recovering some of the costs of the fire inspection division through this program.

Contact: San Francisco Fire Department
260 Golden Gate Avenue, Room 225
San Francisco, California 94102-3706
(415) 861-8000
or
Charles Rapp, Port Fire Marshal (415) 274-0419

Court Fines for Code Violation

In some cases judges have directed that a portion of fines paid for fire code violations be returned to the fire department to support code enforcement. However, few code violations ever get carried as far as court, and court fines have not been a lucrative source of funding.

Penalties for Nuisance Alarms

For many fire departments, nuisance alarms represent a large number of responses. These include malicious false alarms and alarms that come from automatic fire alarm systems, often as a result of inadequate maintenance, design, or operation.

Most new commercial buildings and an increasing number of residences have automated fire detection systems that can trigger unnecessary automatic responses by the fire department, particularly when the alarm systems are not properly installed or maintained. Repeat offenders — particular homes, businesses, or buildings — make up a large number of false alarms. Each false alarm response creates some danger for the public and the firefighters. Valuable resources are used unnecessarily, and the units are not available for actual fires or other calls. There also is the "boy who cried wolf" syndrome — letting down one's guard on the assumption that the alarms are false.

Several cities have instituted false alarm charges to encourage better maintenance of systems, to place greater responsibility on the building or business owner for unnecessary or

inappropriate actions triggering alarms, and to recoup some of the costs of responding to these types of alarms.

In Bellevue, Washington, only one "preventable" fire alarm is allowed from an alarm system during a calendar year. If a second preventable alarm occurs, the city charges a \$50 fee. For any subsequent alarms, a \$75 fee is charged. "Preventable alarms" include activations caused by improper installation or maintenance; erroneous transmissions; work on alarm systems when reasonable steps were not taken to prevent reporting of an alarm; fire drills or tests of alarms; work such as painting or welding; and smoke or fumes from closed fireplace dampers, cooking, or smoking of tobacco products. When a false alarm occurs, the responsible party must submit a written report within thirty days to the fire chief stating the reasons for the alarm and the corrective action taken to prevent a recurrence. Bellevue also has an appeals process.

Contact: Deputy Chief Michael Eisner
Bellevue Fire Department
766 Bellevue Way Southeast
Bellevue, Washington 98009
(206) 455-6892
FAX (207) 637-5287

The City of Boston Fire Department was faced with false alarms that placed a burden upon their operations. A city ordinance was enacted in 1988 enabling the fire department to charge fees for false alarms on a sliding scale. In just three years, the number of false alarms dropped from over 9,000 per year to 5,000 per year, a decrease of 44 percent. While intended to reduce alarms, not create a new revenue source, the City nevertheless brought in over \$280,000 out of \$400,000 in fines billed under this program. Some businesses failed to pay the fines levied against them, so the city amended its false alarm ordinance to allow a lien to be placed against any property until the fines are paid. While some properties are exempt, such as those owned by city, state, and federal government and financially insolvent properties, the city has for the most part achieved its objectives.

Contact: Tom Kelly, Office of Fire Prevention
Boston Fire Department
115 Southampton Street
Boston, Massachusetts 02118
(617) 725-3543

Small departments can benefit from false alarm fees, too. The Lake Worth, Florida, Fire Department has had a nuisance alarm fee since 1988. In 1992, the Department raised \$3400 from these fees, and reported a 25-40 percent reduction in false alarms since the fees were adopted. Like Boston, Lake Worth passed an ordinance that gives teeth to this approach.

COST SHARING

One of the most sensible ways to raise funds is to share costs for facilities and services with nearby jurisdictions. This often looks good to the citizens and fosters intergovernment cooperation. It can but does not have to be a step toward consolidation of services. The downside is that control of the resources must be shared as well as the costs.

Sometimes shared resources are purchased and owned by one entity with the other paying some pro rata share of operating costs. Sometimes each entity shares ownership and costs. Sometimes no money changes hands; each entity contributes staff or material resources.

Collaborating with other fire departments can leverage funds to produce a program or allow joint use of equipment or facilities that would otherwise not be possible. Training facilities, heavy rescue equipment, ladder trucks, and communications systems often are purchased jointly. Some neighboring departments have shared the costs of building stations that serve areas of both jurisdictions. Other areas where shared resources have successfully been used are inspection services, dispatch and communications, and special emergency response teams such as haz mat or water rescue.

Some groups of fire departments produce public education programs together. The prevention program with its specialized props and visual aids then rotates among the participating departments. Fire safety houses mounted on trailers and home sprinkler demonstration trailers are two examples of prevention resources often purchased through cost-sharing.

A group of fire departments in the area between San Jose and Palo Alto, California jointly have employed a fire protection engineer for plans review and haz mat planning that none could afford alone.

The Pinellas County, Florida Fire Chiefs Association stood behind the efforts of the county fire marshals and safety educators to unify all 24 county fire departments into a Save Cans for Safe Kids program. The cooperative efforts of the departments allowed the program to raise over \$11,000 a year from recycled aluminum cans. The group arranged with a local recycling company that both provided bins for collecting cans as well as paid 5¢ over the market price per can collected. Hotels and companies allowed the bins to be placed at their locations. Money raised through this program was used to fund many county-wide fire prevention and education programs for children, including a video library, public safety advertisements, a mobile fire safety house, and a public fire safety education curriculum for children in kindergarten through fifth grade. Other funds were contributed to a drowning prevention coalition and to the American Burn Survival Foundation.

In Kalamazoo, Michigan, the city fire department had the staffing to put on a fire prevention program but lacked funds for resources. Other area departments lacked staffing but were able to provide some funding. The result was a five-year multi-jurisdictional plan started in 1986 to develop a thorough fire prevention and education program. Resources were combined into the Kalamazoo Area Fire Marshal's Office, where five Fire Marshals were

employed by the four largest area municipalities. Most prevention programs developed by the office were then funded through private and corporate donations.

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215 W. Lovell
Kalamazoo, Michigan 49007
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Fax (616) 337-8245

Cost sharing may involve consortia extending beyond local jurisdictions. The Tidewater area of Virginia benefits from a regional Technical Rescue Team established over a decade ago. The Team resulted from the cooperative efforts of several jurisdictions which grouped together and agreed to provide personnel, benefits, and compensation for the Team. The participating jurisdictions included the Virginia cities of Virginia Beach, Portsmouth, Chesapeake, Norfolk, and Franklin, and two military bases, the Little Creek Amphibious Base and the Norfolk Naval Air Station.

The Tidewater Technical Rescue Team had to raise money on its own for start-up costs, but within a year and a half had raised over \$200,000 from private donations for equipment and vehicles. Additional money was raised by training construction workers and utility companies in confined space operations and tactical operations such as rope rigging and shoring techniques. These contractors were targeted because of the likelihood that they would be the end users of the Technical Rescue Team's services; the training not only raised some revenues but also helps to prevent incidents in the future.

Contact: Battalion Chief Chase Sergeant
City of Virginia Beach Fire Department
Municipal Center Public Safety Building
Virginia Beach, Virginia 23456
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CONTRACTING OUT SERVICES

While some local governments join together to make capital purchases or share operating costs, others achieve something similar by contracting out services to surrounding jurisdictions. This can help relieve budget problems in both the jurisdiction providing the service and those receiving the service. It also can provide benefits in the form of increased levels of service through economies of scale, and by having more equipment and personnel available to serve either's needs.

Contracting may be used for providing routine fire or EMS operations, or just for special services such as ALS or haz mat responses.

It is important to check into state regulations concerning intergovernmental operations when considering contracting out services. Also, care must be taken if previous mutual aid agreements exist; they may need to be revisited to see how the contracted services may be affected.

Contracts most often involve a smaller municipality that contracts with a larger neighbor to provide service that they would not be able to afford alone. A small suburb, for example, may not be able to afford to equip and staff its own paid independent fire department, but may be able to pay a bordering city or county to provide fire protection service for them. The Springfield, Oregon Fire and Life Safety Department contracts out with its surrounding jurisdictions to provide fire services. Over a ten year period, as outlying suburban development grew, Springfield's annual contract income increased from \$369,000 to \$751,000.

The Village of West Milwaukee Fire Department had been using over one-third of the Village's budget, about \$1.7 million each year, and was only able to provide limited service. In 1991, the Village entered into a contract with the City of Milwaukee that eliminated the West Milwaukee Fire Department. The Milwaukee Fire Department took over West Milwaukee's station and supplied an engine company to protect the area. Negotiation between the Village and

the City established the exact costs and responsibilities for each jurisdiction. For example, the Village had to maintain liability insurance for MFD operations within Village boundaries and the City took responsibility for station maintenance. The cost to the Village was about \$650,000 a year, less than the cost to operate their own department. Establishing the contract took great effort as the citizens of West Milwaukee were opposed to giving up "their" fire department. Several village trustees lost re-election bids as a result of supporting the City "takeover." Of the 24 members of the West Milwaukee Fire Department, 9 retired or sought other employment, and 15 were given spots in the next City recruit class and allowed to become members of the Milwaukee Fire Department, but losing seniority and rank. The City of Milwaukee benefitted by receiving supplemental funding for adding a relatively small area to its service area.⁵

Another group of Milwaukee suburbs, the North Shore area, are actively considering consolidation rather than contracting with the City. Details of contracting arrangements, including costs, provisions for existing firefighters, prevention, and other services must be considered to see if the contracts are mutually advantageous. The long term must be considered as well as the short term.

Sometimes a small jurisdiction provides services under contract to a larger one. For example, Apopka, Florida contracts with much larger Orange County to provide fire and EMS services to nearby parts of Orange County. Apopka receives \$1 million a year, which pays much of its fire protection costs.

It is also common for only a particular service or function to be contracted out. Some jurisdictions "sell" time at their training center or charge for training the area's firefighters. Some provide haz mat services under contract or per call. Some provide plans review. The Sacramento, California Fire Department contracts with nearby districts to provide various types of firefighter training through the American River Community College. The Department also

⁵ Richard Nailen, "Contract Fire Service Rescues Village Budget," *Fire Chief*, Nov. 1991.

contracts with Sacramento County to provide hazardous materials teams for incidents in the entire county.

Issaquah, Washington does vehicle maintenance for others under contract with their repair shop, and receives grants for providing dispatching for other agencies.

In most jurisdictions the water department or its equivalent maintains the water hydrants in town. Sometimes the fire department participates in the maintenance. The new possibility is for fire departments to take over most or all of the hydrant maintenance, and charge the water department for taking over this service. Often the fire department can do it for lower cost because of the use of slack time, at low incremental cost. Knoxville, Tennessee has done this, and receives \$1.2 million a year for the service, instead of that staying with the water department.

There are probably hundreds of departments contracting out some of their services today.

CONSOLIDATION

The consolidation of several departments into a single entity may provide one of the most efficient and cost effective means of providing fire and emergency medical services. Savings are usually brought about through the elimination of duplicate functions such as management, fire prevention and inspection, training, and communications. Consolidation may be thought of as the ultimate version of cost sharing, on a larger, more permanent scale. The topic is far more complex than can be discussed here, but it is one of the most important ways to obtain adequate resources in the face of budget pressures, and is therefore included.

Departments may elect to consolidate only part of their operations. A consolidated 911 dispatch center, for example, can provide cost savings to all participating jurisdictions, and additional tangible assets such as improved communications, better dispatch, and better fireground communications. Stockton, California, operates a consolidated dispatch system which allows for more efficient and effective dispatching services because of the combined resources available. The cost for each community involved is much less than if they had their own separate system, and the capability of the dispatchers is greatly enhanced. Additionally, consolidated systems are more suited to large emergency operations and disasters, because of their access to the combined resources of the entire system.

More and more areas are consolidating departments or merging fire districts. Prevention or inspection offices combine their efforts and avoid duplicating tasks. Better insurance ratings may be achieved through increasing protection available from the consolidated resources. Citizens may pay less per capita for consolidated services or may get higher levels of service for the same cost. Sometimes the cost per capita and the level of service increase for some parties to a consolidation.

One of the largest obstacles to fire service consolidation is the power struggle that often occurs between the organizations involved. Many chiefs and ranking officers have spent their careers attaining their positions, and are, understandably, reluctant to give up any control over any aspect of their operations. They also may fear the changes that would be necessary under consolidation. City councils and citizens often fear loss of operating control in getting locked into a level of service and the corresponding expenditures for a long time.

In the United Kingdom, over 1,000 fire brigades pre-World War II were consolidated into 63 today. They are arguably the best organized fire service in the world. Tualatin Valley Fire and Rescue, Oregon; and Orange County, Florida; and West Palm Beach County, Florida

are three (of many) areas where major consolidations have taken place successfully in the last decade. The trend toward consolidation seems to be accelerating in the United States.⁶

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Aloha, Oregon 97007

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Orange County Fire & Rescue Division
4700 Lake Underhill Road
Orlando, Florida 32807
(407) 658-6901

Chief Herman Brice
Palm Beach County Fire/Rescue
50 S. Military Trail
Suite 10
West Palm Beach, Florida 33445
(407) 820-0010

Not all consolidations work. In some cases, "de-consolidation" or separation may be preferable. For the past few decades, the conventional wisdom has held that consolidation of fire service yields savings through economies of scale. Joint purchasing, joint powers authorities, co-location of fire companies, co-development of facilities, mergers, county-wide and metropolitan fire departments are all products of this sort of "bigger is better" approach to cost control. Some recent signs suggest that some local officials are discovering that "smaller" has its advantages, too.

Key Biscayne, Florida, found that it contributed approximately \$3.5 million annually to its county fire district fund. In return, the county spent about \$1.5 million to maintain a fire station on the key with one engine company, an EMS unit, and a reserve engine company staffed by volunteers. In the event of a working fire or other incident requiring additional companies,

⁶ Floyd Pittard and Stephanie Thompson, "Spotting a Trend: Fire Department Consolidation," *American City & County*, April 1992.

the next unit responded from 13 miles away and had to pass through either Miami or Coral Gables or both. Key Biscayne withdrew from the county fire district and started forming a new fire department from the ground up. Local officials estimate that an annual operating budget of between \$2 million and \$2.5 million will be required to provide fire protection and EMS services. This will represent a savings of 14 to 33 percent over the old arrangement. Local officials also believed that fire service will improve with new automatic response agreements with the cities of Miami and Coral Gables.

The citizens of Long Island, Maine, (pop. 160) voted to secede from the City of Portland. One of the prime considerations in the decision was how tax money was being spent by the City. Some island residents had experienced two-, three-, even four-fold increases in their tax assessments in recent years and feared their community would become accessible only to the wealthy if the trend continued.

Careful analysis is needed of all financial, governance, and personnel factors as well as the resulting levels of service in consolidating or separating fire departments. The long term—at least 10 years out—needs to be analyzed, because it often takes 7-10 years for the ripples caused by such moves to die down, and these arrangements are not intended to be temporary.

SALES OF ASSETS AND SERVICES

In addition to contracting out services to other departments as discussed above, some communities sell assets, non-emergency services, and some unusual things.

Sales of Used Equipment

Some fire and EMS units have raised revenues by selling used equipment and apparatus either to other agencies or to collectors. A New England department was selling its old pumper as a collector's item, for \$20,000.

The City of New York Fire Department sends most of its retired engines, ladders, and towers to the auction block of New York City Surplus, a city agency responsible for the sale of surplus equipment. Police cars, ambulances, public works vehicles and sundry other items line up alongside retired FDNY pumpers awaiting purchase by new owners. Retired FDNY equipment is purchased by manufacturers, fire buffs, and small fire departments that can't afford new apparatus. New York City Surplus typically raises over \$10 million a year from the sale of surplus property. This money is returned to the city's general fund. A typical FDNY engine may bring \$5,000-\$15,000 at auction, and a ladder tower \$25,000-\$40,000.

Contact: Mr. James Scanlon, Director
New York City Surplus
250 Livingston Street
Brooklyn, New York 11201
(212) 669-8548
FAX (212) 669-2682

Sales of Services

In addition to contracted services, and "selling" training to other fire departments and the public, as discussed above, some departments sell other services available from their staff.

Issaquah, Washington encourages its staff to do outside work while waiting for calls and not engaged in other activities, as opposed to selling their services after hours on their own. These services may or may not be directly related to fire protection. They also encourage their staff to provide services to others on overtime. Issaquah charges all of their special services on the basis of overtime costs plus 25 percent, on the grounds that firefighters and

department support staff could be doing something for the fire department, such as training or maintenance, if they weren't doing something for the outside agency.

Issaquah has an architect on its staff and charges for helping others in design of buildings and fire protection systems. They also charge for consulting to other fire departments in developing promotional exams and serving on panels.

Contact: Chief Ron Haworth
24520 SE 24th Street
Issaquah, Washington 98661
(206) 392-3433
FAX (206) 391-8764

Many fire departments are expert in teaching their employees or volunteers how to drive a truck. This driver training can be sold as a service to industry. For example, the Sugar Land, Texas Fire Department trains the drivers for a major petroleum industry unit and other industry located nearby. They also charge industry for training on the use of extinguishers.

Contact: Chief Diane Breedlove
Sugar Land Fire Department
P. O. Box 110
Sugar Land, Texas 77487-0110
(713) 491-0852

Sale of Delinquent Tax Certificates

Chautauqua County, N.Y., has developed a unique and promising means of increasing cash revenues for its 42 fire departments (39 volunteer, 2 combination, 1 career). Chautauqua raised over \$6.5 million from the sale of delinquent tax certificates that had been issued on

properties that owe back taxes. All delinquent properties were pooled together, and shares sold to investors. This allowed the county to bring in cash from the investors, who in turn received a tax-free security that would draw about 5.6 percent interest over two years. The owners of the property remain in debt to the county and are still accountable for back taxes, interest, and penalties. The county reserves the right to foreclose on the property after three years should the debt go unpaid.

The sale of the tax certificates was made to private investors through a New York City bank that acted as a trustee for the funds. The sale of shares brought in an immediate \$4.5 million in cash to Chautauqua County; another \$2 million will become available in two years. Investors are actually investing in the interest and penalties on the delinquent tax payments, not on the property. The investors, therefore, cannot foreclose on the property or collect the back taxes by other means. The property still belongs to the property owner and the county is still responsible for collecting the taxes.

The influx of cash has enabled the county to fund a \$1.5 million improvement for its fire and rescue system, including over \$500,000 for the County Fire Coordinator's Headquarters Office, which normally operates on an \$80,000 budget. Funds raised through the sale of the tax certificates also have been used to establish a \$300,000 revolving low interest loan fund which will allow departments to borrow \$2,500 - 5,000 at 2-3 percent interest for turnout gear, SCBA upgrades, hepatitis vaccinations, and apparatus refurbishment. The county also provides heavy rescue service, and \$50,000 will be spent on a new chassis for the county heavy rescue vehicle. Another \$25,000 is earmarked for a recruitment, retention, and physical fitness program for firefighters.

Contact: Robert Beckman, Finance Director, or
Neil McNeight, Fire Coordinator
Chautauqua County
Gerace Office Building
Mayville, New York 14757
(716) 753-4343 or

Facility Rental

Many fire departments have meeting space that can be rented out for private functions. Some departments; e.g., Gettysburg, Pennsylvania, intentionally design new fire houses to include space that is not only useful to the department but also serves as a community facility.

The Bethesda/Chevy Chase (Maryland) Rescue Squad rents out a dining hall above its engine bay for dances, parties, aerobics, weddings, and other affairs. The Urbana (Maryland) Volunteer Fire Department has a community room which it rents out. Both of these organizations even provide the catering upon request.

Of course, many meeting rooms and firehouse spaces are made available to the public free of charge, especially for public purposes. A widespread example is the use of firehouses for political meetings and elections. As with other charges for previously free services, one must weigh the potential public indignation in charging for services or space against the funds raised. There will be less of an issue, and perhaps positive public reaction, from charging for clearly private affairs.

OTHER APPROACHES

Several other alternative sources of funding and other related approaches to reducing costs did not readily fit under the above headings but seemed worth including.

Phone Surcharges for 911

Phone surcharges are used in several areas to help raise revenues for 911 systems. These revenues may be directed into a special fund used solely for establishing 911 systems, or they may be used to reimburse local agencies for the costs incurred in operating 911 dispatching.

In the State of New York, phone users pay a 35¢ surcharge on their monthly bills for emergency 911 service. Each county receives the surcharges from all of the phone lines in its district. Counties with high populations receive large amounts of money for 911, but counties with small populations may not receive enough funds to start their own program.

Palm Beach County, Florida, assesses a 50¢ surcharge on all telephone lines to help maintain the County's enhanced 911 system. Each location in the county that receives and dispatches 911 calls may request budget reimbursement for costs related to operating the system. For example, in the 1992-93 fiscal year, the Lake Worth, Florida Fire Department received \$5,780 for its 911 operations. The department used these funds to purchase audio tape for recording emergency calls, headsets for dispatchers, and maintenance contracts for equipment. Part of the money may be used to pay dispatcher's salaries.

Privatization

Not a revenue source, privatization is discussed briefly here because it is part of the package when considering alternative ways to pay for services. The extreme in privatization is where the government totally washes its hands from providing the service and leaves its provision and collection of funds to the private sector, or, slightly less extreme, contracts with a private contractor to provide fire protection or EMS.

Although private fire protection has been available in the United States since the 1940s, more attention has been given to the possibility of privatizing public service functions as an outgrowth of reduced government budgets and limits on taxation. A number of cities have successfully used private services to operate their fire departments for less cost. Rural-Metro, a private company, has provided fire protection to a number of communities in the Western and Southern United States since 1948.

Emergency medical services has been perhaps the main area of the growth for privately-provided services. Many communities have depended entirely on private services for EMS first response, care, and transportation. However, over the past two decades the major trend has been for the fire service to add EMS first responder, Basic Life Support, Advanced Life Support, and transport services, either augmenting or replacing private services. Going the other way, a few cities that provided EMS have turned to private EMS companies to provide better service at reduced costs. The City of Richmond, Virginia, awarded a contract to Mercy Ambulance to take over its EMS. Mercy replaced older equipment, hired new personnel, and reduced response times. EMS service was enhanced at minimal cost to the taxpayers.

On the other hand, when the private ambulance service in Springfield, Oregon went bankrupt and ceased operations without warning, the Springfield Fire Department was thrust into the position of EMS provider. The result was the Fire-Med program, now one of the most highly regarded subscription EMS services in the country, and the reorganization of the department into the Springfield Fire and Life Safety Department. Portland, Oregon is another community where the fire department is taking back part of the EMS transport function previously provided by the private sector.

Several criteria are cited on behalf of privatization. The first, and most often cited is that privatization promotes accountability. This is based on the idea that if the contract is awarded under a competitive process, failure to achieve certain agreed upon standards may result in loss of the contract. Unfortunately, especially for fire-related services, there are few measurable

standards of service that are generally agreed upon, making an objective evaluation of private vs. public difficult.

A second argument cited in favor of privatization is that it may be more cost effective, because a private company will be looking for ways to maximize efficiency to remain competitive and profitable. Also, some private companies are non-profit, which eliminates the objection of some to profiteering on public safety service.

Cities attempting to explore privatization options may find great resistance. Many unions understandably have fought privatization, attempting to pass legislation preventing privatization of fire or police services. Many citizens are uneasy about "giving away" a key service.

As noted in the discussion of consolidation, careful analysis is needed in one's own situation to determine whether there are significant benefits to either privatize public services or take back private services to the public sector. The analyses are often difficult, and there needs to be clear margins and well-founded assumptions to justify changes. The long term implications of such a move should be carefully examined in terms of the effect on fire safety prevention and education programs, long term planning, and the effect on regional cooperation and assistance, as well as on finances. Privatization may nevertheless in some situations be a viable alternative for providing and funding public services.

Leasing

Leasing is a common financing strategy for businesses to use in obtaining vehicles. It is much less used by the public sector, especially fire departments, because most fire vehicles are custom-ordered, and may be difficult to resell to another department if only leased for a few years. There is not the equivalent of fleet purchasers who lease cars to others, nor can the leasing fee be set high enough to pay for enough of the vehicle in just a few years of leasing, as is the case for automobiles and small trucks.

Leasing in a way is like borrowing in that the cost of using the vehicle is spread over many years instead of requiring a large initial capital outlay.

In recent years there are some principal leasing corporations that have been willing to help fire departments lease vehicles. The municipal leasing corporations main business has been with other types of vehicles, from cars to sanitation trucks, but they have been soliciting business from fire departments and ambulance companies.

A variation on leasing is "tax-exempt, lease-purchase financing." It offers the following benefits:

- (Requires no down payment
- (Tax-exempt interest rate
- (Allows you to pay for assets over time.
- (You build equity in the leased equipment with the first payment.
- (At the end of the lease term, you own the equipment outright.
- (Flexible payment terms, tailored to your needs.
- (Eliminates the paperwork and voter approval required under "debt financings."⁷

There is, of course, a total cost that is substantially higher than buying the equipment outright. The terms of leasing need to be compared to purchasing outright, or the use of bonds or COPs to raise funds.

⁷ Adapted from GE Capital Public Finance Inc. brochure, 1993.

Seized Assets

Another source of funds, equipment, and vehicles accessed by a growing number of fire departments are the assets seized during drug raids. Where the fire department can demonstrate that illegal drug activity has increased the demand for its services, such as through records of drug-related fires and EMS records of drug overdoses, or that the fire or EMS forces have participated in drug-related incidents (extinguishing drug-related fires, hazmat response to drug labs, searching for bodies underwater, acting as combat paramedics, and treating victims of raids), they may be able to share in the money and equipment seized by law enforcement in drug-related arrests and raids. The money may have to be used for the purchase of specialized equipment for assistance in drug-related incidents, but can include cars, ambulances, radios, video equipment, computers, boats and trucks. The equipment does not have to be used solely for drug-related incidents so long as it is available and needed for these incidents.

A second, indirect way to benefit from drug-related seizures is to obtain vehicles or other equipment from police or other agencies that seize equipment in drug raids. Their seizure of equipment may enable them to release older fleet vehicles, real estate, and other equipment to the fire department. The Pawtucket, Rhode Island Fire Department obtained a surplus car from its police department in this manner, and used it as a haz mat vehicle.

III. STATE AND FEDERAL GOVERNMENT SOURCES FOR FIRE AND EMS

Many state governments disseminate funds, equipment, and services to their local fire and EMS agencies through a variety of means. Some of the funds come on a regular basis from major departments in state government. Others came from special state or federal programs. While the lead state fire agency — usually the State Fire Marshal's office — is often the focal point for disseminating the funds and services to local fire departments, any of several other state departments, such as health, insurance, occupational safety, or public safety may also be involved. State EMS Offices and Governor's Highway Safety Offices are typically the coordinators of state EMS funding.

The state funds may go directly to local departments in cash, or may go to purchase equipment or services for local jurisdictions, or the funds may go to provide state services, such as firefighter or EMT training, that can be used in lieu of local expenditures for the same function.

This chapter lists several of the major funding mechanisms used in states, and then presents a brief state by state summary of the types of funds available for local EMS and fire programs at the time this report was written. The amount and purpose of these funds will change over time, but this listing may at a minimum suggest what kinds of funding to inquire about.

FEDERAL PROGRAMS

Some federal agencies have grant programs specifically for fire- or EMS-related purposes, and some have more general programs that can be used to help fund fire and EMS programs. A list of the federal programs related to the fire service can be found in the U. S. Fire Administration's document, "Federal Domestic Assistance Information."⁸ The complete list is not repeated in this report, only a few of the more noteworthy programs. A listing of some federal programs related to EMS may be found in the Appendix.

Most of the federal programs available for fire and EMS are administered by state agencies. Very few programs exist where the federal government gives aid directly to a local fire or EMS department, although fire and rescue departments serving federal installations may be eligible for direct funds or equipment.

The state governor's office is usually an excellent resource for information on federal funds administered by the state. Local members of the U.S. House of Representatives or the U.S. Senate also may be helpful in bridging the gap between federal programs and local governments.

A few of the more important federal programs are described below, followed by tables of programs available in each state.

Rural Community Fire Protection (RCFP)

Rural Community Fire Protection grants are often available through state forestry agencies or natural resources departments. Rural departments may be eligible for financial assistance to develop the rural water supply or to fund the purchase of protective equipment,

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This document (FA-132) is available from the United States Fire Administration, 16825 S. Seton Avenue, Emmitsburg, Maryland 21727, (800) 238-3358.

hose, or apparatus. Funds often are in the form of matching grants. A downside to this program is that only limited funds (a few hundred to several thousand dollars) may be available to most individual departments each year. The federal government is currently providing about \$35.5 million through this program; it is administered by the Forestry Division of the U.S. Department of Agriculture.

As one state example, the Virginia Department of Forestry administers \$50,000 annually from the Rural Community Fire Protection Fund. Rural Virginia fire departments serving a population of less than 10,000 people may receive grants for up to \$500 for equipment such as hose or protective clothing. The Verona, Virginia Fire Department protects about 9,000 people over 75 square miles of their district, and has been receiving Rural Community Fire Protection funds for several years. They used the funds to purchase hose and appliances for their apparatus, as well as protective clothing for their members.

Contact: Don Morton, Chief of Fire Management
Virginia Department of Forestry
P.O. Box 3758
Charlottesville, Virginia 22903-0758
(804) 977-6555

Federal Excess Property Programs

FEPP, or surplus federal property programs, are available in most states through state departments of surplus or state government auction agencies. These programs provide surplus government property, including military vehicles, to local government agencies. The federal government may retain title to the vehicle in case of national emergency, but often the vehicles are auctioned off for low prices. In Kansas, the FEPP program is administered through the rural fire protection training office at the University of Kansas, allowing departments easy access to this program. Other states may have similar points of contact.

Community Development Block Grants

Funded by the Department of Housing and Urban Development (HUD), the Community Development Block Grants (CDBG) program is highly competitive. Its funds are available to local governments for special projects, including fire protection. There are many restrictions on how these funds can be spent.

Approximately \$4 billion is budgeted in the current fiscal year for Community Development Block Grants. This is an increase of 18 percent over the previous year. Nearly half of this money is allocated to states for the disbursement to local communities on a competitive basis. The remainder is earmarked for urban counties with populations greater than 200,000. These funds are generally allocated to low and moderate income communities for infrastructure improvements.

In 1993, 10 Pennsylvania counties will share \$1.9 million in block grants. Two of the communities will spend a total of \$40,000 for fire service-related improvements.

The St. Petersburg, Florida, Fire Department received a block grant for \$44,000 in 1991. The money was used to buy over 5,000 smoke detector kits for residents of the community.

Cranberry Township in Venango County, Pennsylvania, plans to spend \$10,000 of its \$143,000 in block grant funds to help the Seneca Volunteer Fire Department purchase a new chassis for their rescue truck. The Seneca Fire Chief said this is an important funding source for his department and credits the township supervisors for their stewardship of the fire department through the CDBG program. The Seneca Fire Department has traditionally received 10 percent of local CDBG allocations. These funds have been used to equip an advanced life support ambulance and replace a water tanker chassis among other things. By using CDBG funds, the department has been able to avoid borrowing money from the township or cutting into its \$40,000 per year operating budget.

In Fulton County, Pennsylvania, \$30,000 in CDBG money will be used to renovate the Hustontown Area Volunteer Fire Company's facilities to make them accessible to people with disabilities, in accordance with the Americans with Disabilities Act. According to the county's Planning Commission, the department will receive another \$20,000 next year in order to complete the renovations. The fire station is the regular meeting place for a spinal cord injury support group in addition to its use for other community functions.

Some CDBG funds in Mississippi have been used to improve water supply systems for firefighting in rural communities. Such improvements have helped a number of small communities lower homeowner's and business insurance premiums by improving the community's Insurance Services Office (ISO) rating.

The Farmington Hills Fire Department in Michigan draws approximately \$1,000 each year from CDBGs to provide smoke detectors to members of the community. With only \$4,500 available for prevention materials in its annual budget each year, this money enhances the ability of the department to help its citizens. However, federal funds often must be used for specified purposes: the above smoke detector funds can only be used to provide detectors to residents who cannot afford them.

Contact: Lt. Michael Garr
Farmington Hills Fire Department
28711 Drake Road
Farmington Hills, Michigan 48331
(313) 553-0740

One of the liabilities in applying for block grants is the paperwork. Some fire departments applying for CDBG assistance have been eager to receive funds, but unwilling to complete the steps required to obtain approval. To qualify for CDBG funds, communities must demonstrate that they meet income guidelines. For many communities, especially ones where census figures place them close to the cutoff, an income survey of households is required. "For the past two years we've been working on an application for \$80,000 in water system improvements — such as dry hydrants and water line extensions — for five boroughs and towns in the County, but each time the communities have failed to furnish the required income surveys," said the CDBG coordinator for the county.

The U.S. Department of Housing and Urban Development (HUD) has programs in place to make it easier for communities to obtain CDBG assistance. Recent Congressional authorization allows governors to set aside one percent of their state's CDBG funds for technical assistance programs for local governments. One of the ways this money can be spent is in helping communities learn how to perform local income surveys.

Military Base and Federal Installation Agreements

Nearby military bases and federal installations may be a source of funds in exchange for services. Departments that provide services to bases may be eligible for financial aid, reimbursement for on-site operations, or special equipment. These arrangements are usually worked out through the local directors of the federal installation, or the military base commander, with the funding included in the installation's annual budget.

Some forms of indirect assistance also may be available, such as a mutual aid agreement with nearby federal fire departments. It is usually up to the base commander as to whether units

will be allowed off base, but most are willing to work out mutually beneficial plans with local authorities.

Environmental Protection Agency Superfund

Up to \$25,000 may be available from the Superfund program to reimburse fire and EMS agencies for hazardous materials emergencies. The federal government must be notified within twenty four hours of the incident, and departments must complete an application within one year. More information is available via the Superfund Hotline at (800) 424-9346.

Department of Transportation Hazardous Materials Uniform Safety Act

This Act provides \$76.8 million in grants to states, Native American tribes, and local emergency personnel responding to hazardous materials incidents. Contact RSPA/DOT for more information at (202) 366-6119.

Department of Transportation EMS-related Funds (EMS only)

United States Department of Transportation Highway Safety Funds are available for a variety of EMS programs. For example, over the last three years, the Texas Department of Public Health has awarded over \$900,000 in grant money obtained from DOT for emergency medical service providers in the State of Texas. About 60 percent of the funds are used to purchase EMS equipment such as ambulances and automatic defibrillators for various EMS organizations. The remaining money is used to fund training programs for first-responders, emergency medical technicians, and paramedics.

Federal Property Reimbursement Agreement (PL-93-498)

Departments involved in firefighting on federal property may be eligible for reimbursement of expenses incurred. These expenses may include salary and overtime pay, supplies, repair and replacement costs for damaged or destroyed tools and equipment. The program is administered through the United States Fire Administration.

United States Department of Agriculture Farmer's Home Administration Loans

In 1992, over \$17 million was loaned by the USDA to rural fire and EMS departments around the country. Over \$217 million has been loaned since 1974. The money has been used to fund new stations and purchase apparatus and equipment.

Contact: Department of Agriculture
Rural Development Administration
Community Facilities Division
14th & Independence Avenue, S.W.
Washington, DC 20250

Federal Technical Assistance

Some fire and EMS departments obtain assistance by participating in research, training, or technical assistance programs of the federal government. The USFA's National Fire Academy subsidizes most of the cost of training students at its campus in Emmitsburg, Maryland and through outreach courses in various regions. Many fire departments have started juvenile firesetter programs with training and materials from USFA. Many prevention programs use free campaign kits produced by USFA. USFA has provided technical assistance on arson unit

management to a number of fire departments, and has assisted hundreds of departments to improve fire prevention programs via grants to the states.^{9, 10}

Crime-related Grants

Often federal (and state) funds are available for equipment and staff time used in connection with crime control. Some innovative fire departments have succeeded in tapping these funds through the arson connection and through fire department assistance in riot control, drug raids, searching for bodies in water, etc.

STATE FUNDING SOURCES

In addition to passing through federal money, many states have their own fire-related programs that provide funds or services to local fire and EMS agencies. Some of the major categories of state funding programs are discussed below, followed by lists of many of the fire and EMS programs found in each state.

Low Interest Loans

Many states offer low-interest loans at 2-3 percent for capital improvement projects. These loans can often be paid back over 10 or 20 years. Funds are often set up in a revolving fashion so that money that is paid back can be loaned out again.

A complete list of USFA's free reports and materials may be found in *Resources on Fire and EMS*, U.S. Fire Administration, 16825 S. Seton Avenue, Emmitsburg, Maryland 21727. The list is updated regularly.

The state grants were coordinated by the National Governors Association and were administered by each state. This program was recently terminated.

Insurance Surcharge (Fire only)

Many states place a surcharge on fire insurance to help pay for fire protection in the state. Often these funds are restricted to the state government's own fire-related expenses, but in some states this funding flows through to local programs directly or indirectly. Among the states with insurance surcharges are South Carolina, Virginia, Kentucky, and Texas.

The Commonwealth of Virginia's Department of Fire Programs is funded by a 0.8 percent assessment on all fire and combined insurance premiums from insurance companies licensed in the state. Approximately 75 percent of the money is allocated to towns, cities, and counties to conduct fire service training, improve regional or local fire service training facilities, purchase firefighting equipment, and purchase protective equipment and clothing for firefighters. The allocation is made primarily in proportion to population, with a minimum of \$3,000 for any eligible jurisdiction.

The insurance surcharge also funds a grant program for rural fire departments, defined as those with an ISO rating of 9 or 10. They may apply for a 50/50 matching grant to install dry hydrant systems. Funding is restricted to departments that need to install the hydrants at a distance of greater than five miles from the firehouse, so as not to overlap a Virginia Forestry Department program which funds dry hydrant systems in closer proximity to firehouses. Farmers who have hydrants within two miles of their houses receive a 5 percent insurance credit as an incentive to facilitate hydrant installation on private property.

Almost \$50 million was redirected through the insurance surcharge to the fire service in Virginia from FY 1986 to FY 1992, with a rate of \$8 million per year for the most recent years. State-supported grants and training assistance programs currently receive about \$1 million annually.

Contact: Mr. Kenneth R. Sharp, Executive Director
Department of Fire Programs
Parham/64 Building
Suite 200
2807 Parham Road
Richmond, Virginia 23294
(804) 527-4236

The State of Kentucky funds many special programs from a 1.5 percent surcharge on insurance. The distribution of funds is decided by the Kentucky Fire Commission, a 17-member panel appointed by the governor.

The surcharge funds the Incentive Pay Program for paid firefighters. They are eligible to receive an annual stipend of \$2,500 if they take 400 hours of training in their first year of employment and 100 hours each successive year. The training must be conducted by Kentucky Fire Instructors or taught under their supervision, and documented according to NFPA 1001 Guidelines. In 1992, \$6.5 million was distributed to paid firefighters through this fund.

A second program funded through the insurance surcharge is a State Aid Fund for volunteer departments. Each volunteer department consisting of at least 12 members and a Chief, and registered with the Kentucky Fire Commission, is eligible to receive \$5,000 each year in state aid. Half the members of the department must be state-certified volunteer firefighters with a minimum of 150 hours training each, and they must achieve 20 hours additional training per year. In 1992, \$3.5 million was distributed to volunteer fire departments.

A third Kentucky program funded through the state insurance surcharge is the Training Facility Grant Program, which distributes \$250,000 a year toward regional fire training centers. A Survivor Benefit Program is also funded, providing \$50,000 to the family of any Kentucky firefighter killed in the line of duty, in addition to the federal survivor benefit program. The firefighter's spouse and children are also entitled to free education at any Kentucky state university or vocational school.

Finally, when recent OSHA regulations required the vaccination of emergency response personnel for Hepatitis B, the state paid \$1.6 million toward shots for all firefighters, and agreed to fund \$45,000 each year towards shots for new members of the fire service. This was considered to be cost effective since the fund also pays for workman's compensation for all volunteer firefighters.

Contact: Mr. Wayne Jordan
Administrator, Kentucky Fire Commission
1047 US Route 127 South
Frankfort, Kentucky 40601

The Masonville Fire Department in Davis County is an example of one Kentucky department that met the requirements to receive money from the State Aid Fund. Each year the chief turns in the personnel roster along with a request for funds. The roster is compared to state training records by the Fire Commission to verify that members have kept up their training requirements. Masonville has used the state funds to upgrade all SCBA to NFPA specifications, and to help pay for an additional bay and rooms for their firehouse. This year Masonville plans to purchase large diameter hose with the state funds.

Contact: Chief Mark Luckette
Masonville Fire Department
7050 U.S. 231
Utica, Kentucky 42376
(502) 729-4068

Texas provides almost \$1 million in aid each year to fire departments through the state's Fire Department Emergency Fund. Money for this program is supplied from insurance premiums through the Texas general fund, and is administered by the Texas Commission on Fire Protection. The Commission oversees two programs: a grant program for departments in need of equipment and a low interest loan program.

Fifty percent of the state funds are allocated towards the grant program (approximately \$500,000 per year). The other half is distributed through the loan program, which provides 10 to 20 year loans at a rate of 2 percent. Allocations from both programs are limited to \$25,000 per department per year. Further regulations require the funds to be split equally between rural and municipal fire departments. Most departments have used these funds for the purchase of protective clothing and breathing apparatus.

Departments desiring funds through these programs submit applications to the Texas Commission on Fire Protection. The applications are reviewed by a six member panel, three appointed by the Governor, and three elected by the Texas Firefighters Association. Applications are ranked in the order of need and as many are funded as possible.

The Rhea-Hollene Volunteer Fire Department in Friona, Texas received \$4,900 from this program in 1992. The department was established in January of 1992 to protect 112 citizens in a 100-square mile area of rural Texas near the New Mexico border. The grant money was used to purchase NFPA-compliant turnouts. (The Department received other start-up money from their county government and a used truck and tank-trailer from the Texas Department of Forestry. Another department donated a retired engine.)

Contact: Chief Glen Schueler
Rhea-Hollene Volunteer Fire Department
HCR2, Box 88
Friona, Texas 79035

Driving-related Fees and Fines (EMS only)

Since a major need for EMS stems from vehicle accidents, some states attach fees to vehicle registration or other vehicle-related service to fund part of EMS.

Vehicle Registration Surtax — The Commonwealth of Virginia has a state EMS program that is funded entirely through a \$2 fee on each motor vehicle registration. This fee, known as the "Two for Life" fund, brings in over \$10 million for emergency medical services. Each month the Department of Motor Vehicles transfers the "Two for Life" revenues to the Commonwealth's Department of Emergency Medical Services. The money is divided among various state EMS programs. Approximately 37 percent goes into administration of the Virginia Emergency Medical Services, included keeping track of licensing and operations of EMS. About \$1 million is divided among eight regional emergency medical services councils which administer EMS training and operations and establish local protocols. About 25 percent of the money raised is channeled directly back to local non-profit EMS agencies where the vehicles were registered. Last year, for example, the County of Chesterfield received \$89,000, the County of Fairfax, \$390,000. This money is used to directly benefit local emergency medical services.

Another \$1.3 million goes to fund training programs for BLS and ALS providers, and \$250,000 goes to a state-funded recruitment and retention program for EMS personnel. The remaining money, about \$3 million, goes to a Rescue Squad Assistance grant program. Any non-profit EMS agency in the state may apply to this fund to match up to 50 percent for EMS equipment or training. Rescue squads may not use money from the "Two for Life " program to match the state-supplied Rescue Squad Assistance fund 50-50 grants. In the case of hardship, up to 80 percent may be funded by the state. This money is restricted to patient care items; it may not be used for items such as building maintenance or construction. Each year a committee appointed by the Governor of Virginia ranks the requests for funding in order of priority and then funds as many as possible until the money runs out.

Contact: Roger Nichols, Administrator
Virginia Department of Emergency Medical Services
1538 E. Parham Road
Richmond, Virginia 23228
(804) 371-3500
FAX (804) 371-3543

The State of Maryland has a coordinated statewide EMS system involving hospitals, area-wide trauma centers and specialty referral centers, and more than 480 ambulances. The state-wide system has more than 24,000 trained providers, a state-of-the-art communications center, and a med-evac helicopter program operated by the Maryland State Police. In 1992, Maryland adopted an \$8 surcharge on motor vehicle registration fees. The surcharge is designed to provide a stable funding source to support the state's EMS network, which may be used for continuing the necessary training of fire and paramedical personnel, improving and maintaining the statewide communications system, and acquiring fire and rescue equipment for local fire, rescue, and ambulance companies in all 24 jurisdictions in the state. It is expected that the surcharge will generate about \$27 million annually for the EMS system statewide.

Traffic Citations Surcharge — Several western states and Florida have adopted surcharges on traffic violation fines to support EMS, on the basis that bad drivers increase the need for EMS services.

In Florida, the Department of Health & Rehabilitative Services adds a surcharge to certain traffic citations such as driving under the influence of alcohol. The Department collects over \$10 million a year from this program. Fifteen percent of these funds are used to cover administrative costs; the remainder is dispersed throughout the state with the goal of improving and expanding emergency medical services.

Two state programs dispense the funds. A county-level cash award program distributes 45 percent of the funds back to each county on a percentage basis. The funds may be used in any manner to expand the EMS system, but not to supplant current budget funds.

The second program provides matching grants to any jurisdiction within the state. The applicant pays 25 percent of the proposed amount, and the State the remaining 75 percent. No money distributed from the first program may be used for a matching grant in the second program.

Many jurisdictions have successfully improved their EMS systems through these programs. For example, the Brevard County, Florida Fire & Rescue Department has relied upon the state programs as part of its funding. Brevard receives about \$115,000 per year through state EMS cash awards. This money has been used to purchase equipment for mass casualty incidents. The state has also provided \$185,000 towards a \$250,000 25/75 matching grant for the development of an emergency vehicle operators course, as well as \$10,000 towards a public education campaign. In the past, Brevard has used state funds to establish a quality assurance program, and to purchase automatic external defibrillators (AEDs) for all of the engine companies in the county. Brevard also uses fees for services, ad valorem taxes, EMS tax assessments and other special funding programs that, along with the State funds, pay for nearly half of its EMS budget.)

One problem reported by officials in Brevard County is that their local fiscal year is different from the state's fiscal year, requiring Brevard Fire & Rescue to request matching grants from the state without knowing if the matching funds will be approved by local officials.

Alachua County, Florida also benefits from the State's EMS grants. The County runs over 19,000 EMS call a year and operates with a \$5 million budget. It receives almost \$70,000 a year from the county cash awards program. This money has been used to purchase a heavy rescue squad, command vehicles for duty officers, upgraded computer equipment, and EMT-D

training for volunteers. Alachua also received \$150,000 in 1992 from the 25/75 matching grant program. This grant money has been used to purchase ambulances, cardiac monitor defibrillators, EMS training, and improved hospital communications equipment in the past.

Contacts: Alan Van Lewen, Manager
Matching Grant Program
Florida Dept. of Health and Rehabilitative Services
1317 Winewood Blvd.
Tallahassee Florida 32301
(904) 487-1911
FAX (904) 488-2512

Chief Mark W. McMichael
Brevard County Fire & Rescue
2725 St. Johns St.
Melbourne, Florida 32940
(407) 633-2056

Deputy Chief Mike Cooksey
Alachua County Fire & Rescue
P.O. Box 548
Gainesville, Florida 32602
(904) 338-7361
FAX (904) 374-5298

Surplus Vehicles and Equipment

Many second-hand state fire and EMS vehicles are available for low or no cost. The problem is finding them. Some may be available from the state agency responsible for forest and wildland fire protection. Some may be available from the National Guard or airports. In some states, the state fire marshal's office formally or informally helps find these surplus items. (Refer also to the Federal Excess Property Program, described above for federal second-hand equipment.)

Special Purpose Grants

Some states from time to time earmark monies for a particular program area of interest. For example, New York State has had a grant program to assist in reducing arson. One use of this program was to provide personal computers to hundreds of fire departments. The computers were to help compile and analyze better arson data, but also could be used to improve all fire data collection and analysis.

State By State Funding Sources — EMS

Most, but not all state governments provide some sort of financial assistance to some local fire departments and rescue squads for improving the quality of emergency care. State government may also supply support services such as training, data analysis and collection, system planning for 911 service, and certification programs.

Table 4 is a list of state EMS offices and some of the EMS-related programs being provided in 1993. (Fire is covered later.) Funding sources may also be available from state departments of health, transportation, emergency management agencies, or insurance commission. While these programs change from time to time, this list will provide an idea of the kinds of programs that are available in each state. Getting ideas about programs in other states may be useful in helping develop new programs in one's own state. Contact the regional EMS office or the listed state office for details of programs currently available.

In almost all cases, fire departments that provide EMS or rescue service are eligible to apply for these programs as well as providers of EMS only. State offices can explain eligibility requirements.

Every state was contacted to compile this list, but some programs may or may not have been known by the person contacted or included in the state literature reviewed. The list should give any agency a starting point to find out more about the state and federal programs available

to it. Federal programs are noted in *italics* in the table. Some state agencies may make federal funds available but did not note that, so the absence of a federal program for the table does not necessarily mean it is not available through a state agency in that state. All dollar amounts are annual dollars for a recent year.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
ALABAMA	Office of Emergency Medical Services Alabama Dept. of Public Health 434 Monroe Street Montgomery, AL 36130-1701 (205) 242-5865 FAX (205) 240-3061	Fund for purchase of automatic ex-ternal defibrillators (AEDs). Will attempt to distribute them in one geographic area so impact can be measured (\$137,000). Regional Equipment and Training Grant Fund distributed among 6 EMS regions based upon population and other factors. Prime purpose is to pay for certification courses for EMS personnel (\$279,000). Local grants: \$320,000 to each of 6 EMS regions to fund local EMS opera-tions, but also can be used for direct purchase and matching grants for local EMS providers.
ALASKA	Emergency Medical Services DHSS/ Public Health P.O. Box 110616 Juneau, AK 99811-0616 (907) 465-3027 FAX (907) 586-1877	Volunteer Ambulance Mini-Grant Program Subsidized Training Local EMS can apply for capital equipment funds to state legislature (\$500,000 to \$800,000).

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
ARIZONA	Office of Emergency Medical Services Arizona Department of Health Services 1651 East Morten, Suite 120 Phoenix, AZ 85020 (602) 255-1170 FAX (602) 255-1134	Provider Grant Program: Grants to local EMS providers for in house training, equipment, supplies, etc. (\$310,000). Tuition Assistance Program: For local EMS providers for training leading to EMT-Basic, EMT-Intermediate, or EMT-Paramedic certification (\$155,000). Rural Ambulance Replacement: To replace two ambulances in rural areas each year (\$155,000).
ARKANSAS	Division of Emergency Medical Services Arkansas Department of Health 4815 West Markham, Slot 38 Little Rock, AR 72205-3867 (501) 661-2262 FAX (501) 661-2468	X-620 Rural Health Grants, a competitive grant program for rural departments providing EMS and transport (\$225,000).
CALIFORNIA	Emergency Medical Services Authority 1930 9th Street Suite 100 Sacramento, CA 95814 (916) 322-4336 FAX (916) 324-2875	<i>\$1.4 million available to local squads from Federal Block Grants.</i>

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
COLORADO	EMS Division 4300 Cherry Creek Drive South Denver, CO 80222-1530 (303) 692-2980 FAX (303) 782-0904	Competitive grants program for providers of EMS for training and equipment (\$2.2 million). County EMS improvement fund; counties that apply split the money equally. Usually nets \$9-13,000 each year per county. Must be used to improve EMS, not to pay debts. Colorado tries to match the use of these funds to the Competitive Grants program requests. Emergency Fund, for use where EMS service has been suspended because of natural disaster, etc. (\$100,000).
CONNECTICUT	Emergency Medical Services Office Department of Health 150 Washington Street Hartford, CT 06106 (203) 566-7336 FAX (203) 566-7172	No direct aid provided for local EMS. Tuition for EMS programs is subsidized with state funds for EMS squad members.
DELAWARE	Office of Paramedic & EMS Division of Public Health P.O. Box 637 Dover, DE 19903 (302) 739-6637 FAX (302) 739-3008	State general fund pays 100 percent of ALS training and 60 percent of ALS operations statewide. Volunteer BLS services eligible for Grant-in-Aid program from state legislature.
FLORIDA	Florida Department of Health and Rehabilitative Services 1317 Winewood Boulevard Tallahassee, FL 32399-0700 (904) 487-1911 FAX (904) 488-2512	County Cash Award program. May be used in any way to improve or expand current EMS system (\$4.5 million). Matching Grant Program (25 local/ 75 state) (\$4 million).

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
GEORGIA	Emergency Medical Services Georgia Dept. of Human Resources 878 Peachtree Street, N.E. Room 207 Atlanta, GA 30309 (404) 657-6700 FAX (404) 894-779	<i>Federal money divided among 10 EMS regions. Financial Assistance is available for: EMS training and training equipment, and System design for regions or areas that wish to establish 911 or trauma systems</i>
HAWAII	Emergency Medical Services State Department of Health 3627 Kilauea Avenue, Room 102 Honolulu, HI 96816 (808) 733-9210	Hawaii funds 100 percent of EMS training, operations, and communications (\$30 million).
IDAHO	Emergency Medical Services Bureau Department of Health and Welfare 450 W. State Street Boise, ID 83720 (208) 334-5994 FAX (208) 334-5998	50/50 matching grant program for any recognized EMS units in the state (\$350,000).
ILLINOIS	Div. of Emergency Medical Services Illinois Department of Public Health 525 West Jefferson Street Springfield, IL 62761 (217) 785-2080 FAX (217) 785-0253	Nothing currently available. In the past, the state funded dispatcher training. Future plans call for a rural ambulance assistance bill. Some funds may be available for public education programs.
INDIANA	Indiana EMS Commission 302 W. Washington, Room E208 IGCS Indianapolis, IN 46204-2258 (317) 232-3980 FAX (317) 232-3895	Grant Program for all licensed EMS vehicles. Operators may submit application for equipment for each vehicle (new radios, etc.) (\$300,000 in 1992 for 75 ambulances). Training Subsidies. \$140,000 for EMS courses from first responder through paramedic. <i>Technical Assistance for applying to federal or community grant programs.</i>

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
IOWA	Emergency Medical Services Iowa Department of Public Health Lucas State Office Building Des Moines, IA 50319-0075 (515) 281-3239 FAX (515) 281-4958	<i>Federal Block Grant funds distributed through EMS regions to county EMS associations for training.</i> Currently no other funding available.
KANSAS	Board of Emergency Medical Services 109 S.W. 6th Street Topeka, KS 66603-3805 (913) 296-7296 FAX (913) 296-6212 Dept. of Commerce & Housing (913) 296-3004	<i>Money available from the federal Neighborhood Block Grant Program.</i>
KENTUCKY	Emergency Medical Services Branch Department for Health Services 275 E. Main Health Services Building Frankfort, KY 40621 (502) 564-8965 FAX (502) 564-6533	Rescue Squad and Ambulance Assistance Program. Applications made through city or county government. Funds personnel, ambulances, and equipment. Most awards are 50/50 matching grants. Limit on money for ambulances, usually \$15-20,000 per request (\$3 million).
LOUISIANA	Bureau of Emergency Medical Services P.O. Box 94215 Baton Rouge, LA 70804 (504) 342-4881 FAX (504) 342-4419	No financial aid to local departments at this time.
MAINE	Maine Emergency Medical Services 16 Edison Drive Augusta, ME 04347 (207) 289-3953 FAX (207) 289-6251	No financial aid to local departments at this time.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
MARYLAND	Maryland Institute for EMS Systems 22 S. Greene Street Baltimore, MD 21201-1595 (410) 706-3666	Funding for EMS training, recertification courses, specialized courses. Training aides available for departments conducting their own training. Defibrillators and radios provided through local regional EMS councils (\$100,000). State 508 Grant funds for Fire, Rescue and EMS (\$5 million). Handling of applications for Maryland Department of Transportation Grants for ambulances (\$50-150,000). Applications for Department of Health and Mental Hygiene grants.
MASSACHUSETTS	Natalie Carithers, Manager, Administrative Affairs Office of Emergency Medical Services Department of Public Health 150 Tremont Street, 2nd Floor Boston, MA 02111 (617) 727-8338 FAX (617) 727-3172	Money distributed to regional emergency services. Office of EMS acts to oversee contracts for regional directors, but does not provide funds directly to local squads.
MICHIGAN	Division of Emergency Medical Services Michigan Dept. of Public Health P.O. Box 30195 Lansing, MI 48909 (517) 335-9502 FAX (517) 335-8582	No financial aid to local departments at this time.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
MINNESOTA	Emergency Medical Services Minnesota Department of Health P.O. Box 9441 Minneapolis, MN 55440 (612) 623-5484 FAX (612) 623-5471	Subsidized training for volunteer EMS (\$300,000). Grant, loans, and training available through 8 local EMS regions (\$3.2 million).
MISSISSIPPI	Emergency Medical Services State Dept. of Health, P. O. Box 1700 Jackson, MS 39215-1700 (601) 987-3880 FAX (601) 960-7948	Funds available for local assistance from fees on traffic citations (\$2 million).
MISSOURI	Bureau of Emergency Medical Services Missouri Dept. of Health P.O. Box 570 Jefferson City, MO 65102 (314) 751-6356 FAX (314) 751-6010	No financial aid to local departments at this time.
MONTANA	Emergency Medical Services Bureau Dept. of Health/Environmental Sciences, Cogswell Building Helena, MT 59620 (406) 444-3895 FAX (406) 444-1814	No financial aid to local departments available at this time.
NEBRASKA	Division of Emergency Medical Services 301 Centennial Mall S., 3rd Floor Box 95007 Lincoln, NE 68509-5007 (402) 471-2158 FAX (402) 471-0383	All EMS training and related support training such as for critical incident stress debriefing, infection control, etc. are provided by the state. Hepatitis-B vaccine available at state cost.
NEVADA	Emergency Medical Services Office Nevada State Health Division 505 E. King Street, 204 Carson City, NV 89710 (702) 687-3065 FAX (702) 687-5751	Training subsidies (\$13,000). <i>Federal 402 funds available for purchasing pagers, extrication equipment, etc. (\$30,000).</i>

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
NEW HAMPSHIRE	Marcia Houck, Bureau Chief Bureau of Emergency Medical Services Health & Human Services Dept. 6 Hazen Drive Concord, NH 03301-6527 (603) 271-4569	BLS training fund for local departments (\$75,000).
NEW JERSEY	Emergency Medical Services State Dept. of Health, CN-364 Trenton, NJ 08625 (609) 292-6789 FAX (609) 292-3580	Funds available through the state's Department of Community Affairs for non-profit volunteer squads. Some grants are also provided for training (\$2 million).
NEW MEXICO	Primary Care & EMS Bureau Dept. of Health, P.O. Box 26110 Santa Fe, NM 87502-6110 (505) 827-2509 FAX (505) 827-2329	Grants up to \$20,000 per agency available from \$1.8 million EMS fund. Preference given to EMS squads in a rural setting. \$3,000 available to any recognized EMS organization for training, equipment, and supplies.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
NEW YORK	Emergency Medical Services Program Department of Health 74 State Street, 4th Floor Albany, NY 12207 (518) 474-0911 FAX (518) 486-6216	EMS training program for volunteers (\$1.7 million). Assistance to local squads with dispatch, protocols, medical control, data collection, and training (\$1 million). Counties that submit comprehensive health plans including EMS components can receive up to 40 percent of training and communications costs. Legislative Add-on Contracts: squads approach their local legislator for special funding projects. About 40 funded each year; e.g., \$1,500 for a computer, \$20,000 for operating expenses, \$1 million to establish Mercy Flight helicopter service in a region. Currently establishing a \$10 million annual fund of which 50 percent will be for local EMS training.
NORTH CAROLINA	Office of Emergency Medical Services 701 Barbour Drive 27603 P.O. Box 29530 Raleigh, NC 27626-0530 (919) 733-2285 FAX (919) 733-7021 North Carolina Department of Insurance, Fire/Rescue Division	North Carolina EMS office provides funds for local squads through 18 regional councils of governments to local squads (\$800,000). Provides grants for rescue services to rural fire departments and rescue squads up to \$15,000 (\$1 million).

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
NORTH DAKOTA	Division of Emergency Health Services Dept. of Health/Consolidated Labs 600 E. Boulevard Avenue Bismarck, ND 58505-0200 (701) 224-2388 FAX (701) 224-3000	Grants of \$250 to any newly trained Emergency Medical Technician agreeing to stay with his or her squad for 6 months (\$400,000).
OHIO	Ohio Department of Highway Safety Division of Emergency Medical Services, P. O. Box 7167 Columbus, OH 43266-0563 (614) 466-9447 FAX (614) 644-0344	Minimal funds available at this time. Some small grants available through the Ohio Fire Academy, as well as subsidized training.
OKLAHOMA	Emergency Medical Services Department of Health, Special Health Services 1000 NE 10th, Room 1104 Oklahoma City, OK 73117-1299 (405) 271-4027 FAX (405) 271-3442	No financial aid to local departments available at this time.
OREGON	Emergency Medical Services State Health Division P.O. Box 14450 Portland, OR 97214-0450 (503) 731-4011 FAX (503) 731-4077	No financial aid to local departments available at this time.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
PENNSYLVANIA	<p>Division of Emergency Medical Services Health & Welfare Building Room 1033, P.O. Box 90 Harrisburg, PA 17108 (717) 787-8740 FAX (717) 772-0910</p> <p>State Fire Commissioner's Office Pennsylvania Emergency Management Agency P. O. Box 3321 Harrisburg, PA 17105-3321 (717) 783-5061</p>	<p>EMS Operating Funds (EMSOF); distributed through regional offices to local squads for ambulance and rescue service (\$9-12 million). 50/50 grants to urban departments, 60/40 grants to rural departments. Funds may be used for various EMS needs, including communications, radios, protective equipment, and supplies.</p> <p>Low-interest (2 percent) loans available through the State Fire Commissioner's Office of the Pennsylvania Emergency Management Agency (PEMA) Volunteer Loan Assistance Program for fire, rescue, and emergency medical service departments. Can be used for vehicles, equipment, building construction and renovation, protective gear, and communications (\$25 million in 1990).</p>
RHODE ISLAND	<p>Emergency Medical Services Division Department of Health, Room 404 3 Capitol Hill Providence, RI 02908-5097 (401) 277-2401 FAX (401) 277-6548</p>	<p>No financial aid to local departments available at this time.</p>
SOUTH CAROLINA	<p>Emergency Medical Services Division Department of Health and Environmental Control 2600 Bull Street Columbia, SC 29201 (803) 737-7204</p>	<p>Grant-in-aid program provides grants to licensed EMS agencies for equipment for direct patient care, state-approved training, and support services such as quality assurance (\$1 million).</p>

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
SOUTH DAKOTA	Emergency Medical Services Programs Department of Health 118 West Capitol Street Pierre, SD 57501 (605) 773-4779	Grant program for equipment and vehicles (\$250,000).
TENNESSEE	Division of Emergency Medical Services Department of Health and Environment 287 Plus Park Boulevard Nashville, TN 37247-0701 (615) 367-6278, FAX (615) 532-1395	No funds for local EMS from the EMS Division, but some funds available through the State Emergency Management Office or the State Department of Conservation.
TEXAS	Emergency Medical Services Division Texas Department of Health 1100 West 49th Street Austin, TX 78756-3199 (512) 834-6740 FAX (615) 532-1395	EMS Local Grants program (\$750,000).
UTAH	Bureau of Emergency Medical Services Department of Health P.O. Box 16990 Salt Lake City, UT 84116-0990 (801) 538-6435 FAX (801) 538-6387	Local grants available; 50 percent apportioned on a per capita population basis, and 50 percent through a competitive grants program (\$800,000).
VERMONT	Emergency Medical Services Division Department of Health Box 70, 108 Cherry Street Burlington, VT 05402 (802) 863-7310 FAX (802) 863-7577	No direct financial assistance available. Some indirect assistance through subsidized training programs. Departments can purchase equipment such as defibrillators at state contract prices.

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
VIRGINIA	Division of Emergency Medical Services State Department of Health 1538 E. Parham Road Richmond, VA 23228 (804) 371-3500 FAX (804) 371-3543	Mini-grants available for recruitment of new members. \$100,000 is given out in \$1,500 awards to individual departments and \$5,000 awards to counties for recruitment programs. Rescue Squad Assistance Fund provides competitive grants for EMS and rescue equipment. Training for EMS providers is subsidized.
WASHINGTON	EMS and Trauma Systems Department of Health P.O. Box 47853 Olympia, WA 98504-7853 (206) 705-6744 FAX (206) 586-0401	Funds are distributed to local departments through their regional EMS councils (over \$500,000). Training for EMS providers is provided by state (\$1.3 million).
WEST VIRGINIA	Emergency Medical Services West Virginia Department of Health 1411 Virginia Street East, 2nd Floor Charleston, WV 25301 (304) 558-3956 FAX (304) 558-2183	For squads providing ambulance and rescue service only, a Community EMS Ambulance Assistance Program is available; provides \$10,000 in seed money for purchase of a new ambulance. Some equipment may be funded by a 50/50 matching grant; and up to \$2,500 may be applied for an automatic defibrillator.
WISCONSIN	Emergency Medical Services Division of Health P.O. Box 309 Madison, WI 53701-0309 (608) 266-7743 FAX (608) 267-4853	Act 102, EMS Funding Assistance Program, pays for training members of EMS organizations (\$2.2 million). Provides direct payments to Primary Care Providing organizations (\$3,588 plus 3 cents per person served).

TABLE 4. STATE BY STATE FUNDING — EMS PROGRAMS

STATE	CONTACT	PROGRAMS
WYOMING	Emergency Medical Services Program State of Wyoming Hathaway Building, Room 527 Cheyenne, WY 82002 (307) 777-7955 FAX (307) 777-5402	No funds available through the state EMS office. Some funds available through the State Land & Farm Loan Program, about \$500,000 for 50/50 grants and loans. Money comes from state mineral subsidies. Contact State Land & Farm Loan Office, Herschler Building, Cheyenne, Wyoming 82002, (303) 777-7309.

State by State Funding Sources — Fire Services

Many state resources are available to assist local fire departments. State agencies that specialize in health, education, transportation, or insurance may have programs available to fire departments and emergency medical service organizations, in addition to the programs from the state fire marshal's office or other state fire agencies. Rural fire departments or departments that face wildland or wildland-urban interface firefighting may be eligible for state or federal assistance through state departments of forestry, interior, farm bureaus, or similar agencies.

Funds may be available directly through low interest loans or grant programs, or indirectly through subsidized training courses. Financial savings may be available through state contract equipment purchasing plans. Some of these state programs are financed by federal funds that are administered at the state level.

Table 5 provides an outline of services available on a state by state basis. Federally funded programs are listed in *italics*. Note the tremendous disparity in state programs from state to state. Some small states have large programs, and some large states have no programs. The

programs on the list are subject to change, as their funding often depends upon annual appropriations from the state or federal governments. Local fire departments should check with several agencies in their state to find out exactly what programs are currently available and what programs may become available in the future. As noted for the state EMS programs, the list was based primarily on telephone contacts with each state. While there may be additional programs, the list should give fire departments a starting place for finding out about their state's programs, and show the range available in other states.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE		
STATE	CONTACT	PROGRAMS
ALABAMA	State Fire Marshal P.O. Box 303352 Montgomery, AL 36130-3352 (205) 269-3575	Funds available for rural, volunteer departments. Equipment available at state contract prices.
ALASKA	Fire Marshal's Office Training Section Dept. of Public Safety 5700 E. Tudor Road Anchorage, AK 99507-1225 (907) 269-5604 FAX (907) 338-4375	State-supported fire training through regional offices. Technical assistance teams available to advise and assist local departments.
ARIZONA	State Fire Marshal Dept. of Building and Fire Safety 1540 W. Van Buren Phoenix, AZ 85007-2414 (602) 255-4072 FAX (602) 255-4961	Funds available through Fire Tax Districts. 2 percent insurance premium tax used to fund pensions for paid and volunteer departments.
ARKANSAS	State Fire Academy P.O. Box 3499 Camden, AR 71701 (501) 574-1521	Fire, rescue & EMS training at no cost for departments (\$1 million).

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
CALIFORNIA	Office of the State Fire Marshal 7171 Bowling Drive Suite 600 Sacramento, CA 95823 (916) 262-1883	No funding available at this time. <i>Some federal funds may be available through the California Division of Forestry.</i>
COLORADO	Division of Fire Safety 700 Kipling Street, Suite 3000 Denver, CO 80215-5865 (303) 239-4463 FAX (303) 239-4405	County departments may be eligible for impact funds if they are located next to wildlife preserve.
CONNECTICUT	Commission on Fire Prevention & Control 294 Colony Street Meriden, CT 06450 (203) 238-6587	State may pay up to 66 percent cost of in-service training. Funding for special projects may be available through state legislators.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
DELAWARE	<p>Fire Prevention Commission R.D. #2, Box 3100 Dover, DE 19901 (302) 739-3100 FAX (302) 739-3696</p> <p>Fire Marshal's Office R.D. #2, Box 166A Dover, DE 19901 (302) 739-5665 FAX (302) 739-3696</p> <p>Delaware State Fire School RR2, Box 166 Dover, DE 19901 (302) 739-4773 FAX (302) 739-6245</p>	<p>Insurance tax rebate funds available through county or city governments. Each department receives funds based upon the value of insurance policies written in their county (\$180,000-\$200,000 per year).</p> <p>Grant-in-Aid funds from state general funds available, up to \$30,000 per department.</p> <p>Matching funds available for fire prevention programs (\$50,000-\$75,000).</p> <p>State general funds purchase all automobile extrication equipment.</p> <p>State funds all critical incident stress debriefing programs.</p> <p>State funds available to develop infrastructure for 800 Mhz radio systems (\$800,000).</p> <p>Low interest loans available.</p> <p>Departments may purchase all items available on state contract, including travel.</p> <p>Training partially subsidized.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
FLORIDA	State Firefighter's Association 200 W. College Avenue Tallahassee, FL 32301 (904) 222-2070 State Fire Marshal Larson Building 200 E. Gaines Street Tallahassee, FL 32399-0300 (904) 922-3170 FAX (904) 739-3696	No local fire service funding available at this time. <i>Some federal funds may be available through the Rural Community Fire Protection program from the Florida Department of Forestry.</i>
GEORGIA	Georgia Fire Academy 1000 Indian Springs Drive Forsyth, GA 31029-9599 (912) 993-4697	Training programs available at no charge through state fire academy. Emergency funds available on a restricted basis through the Governor's Emergency Fund.
HAWAII	(No State Fire Marshal) Fire Prevention Bureau 3375 Koapaka St., Ste. H-429 Honolulu, HI 96814 (808) 943-3165	No information on funds available at this time.
IDAHO	Idaho State Fire Marshal 500 South 10th St. Boise, ID 84870 (208) 334-3808 FAX (208) 334-2298	No state funds are available. <i>Limited funded may be available through federal Community Block Development Grants.</i>
ILLINOIS	Fire Marshal's Office Division of Personnel Standards/ Education 1035 Stevenson Drive Springfield, IL 62703 (217) 785-4143 FAX (217) 782-1062	Grants available to reimburse salaries and travel expenses incurred from training or education (\$1.4 million).

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
INDIANA	Dept. of Fire and Building Services 1099 N. Meridan Street Indianapolis, IN 46204 (317) 232-2419 FAX (317) 232-0146	No funds available at this time.
IOWA	Fire Service Institute Iowa State University Ames, IA 50011-3100 (515) 294-6817	Subsidized training programs through FSI. <i>Some federal RCFP grants available through Department of Natural Resources.</i>
KANSAS	Kansas State University Rural Fire Training 2610 Claflin Road Manhattan, KS 66502 (913) 537-7050	No direct state aid available at this time. Some subsidized training and wildland fire training available. <i>Through state university, federal RCFP (\$110,000) and FEPP (federal excess personal property, i.e., military surplus) available.</i>
KENTUCKY	Kentucky Fire Commission 1047 US Rt. 127 S. Frankfort, KY 40601 (502) 564-3473	Incentive Pay Program: \$2,500 annual stipend to each paid firefighter (\$6.5 million in 1992). State Aid Fund: eligible VFDs may receive up to \$5,000 annually (\$3.5 million in 1992). Training Grant Program: \$250,000 annually for regional training centers.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
KENTUCKY (Cont'd.)		<p>Survivor Benefit Program: \$50,000 plus educational benefits to family of firefighter killed in line of duty.</p> <p>Hepatitis-B Vaccinations.</p> <p>Workman's Compensation for volunteers.</p>
LOUISIANA	<p>Dept. of Public Safety & Corrections 5150 Florida Boulevard Baton Rouge, LA 70806 (504) 925-4911 FAX (504) 925-4241</p> <p>Louisiana State University LSU Firemen Training Center 6868 Nicholson Drive Baton Rouge, LA 70803 (504) 766-0600 or (800) 256-FIRE</p>	<p>2 percent fire insurance tax redistributed to local parishes for firefighter welfare (by State Department of Treasury).</p> <p>State subsidized training to volunteer firefighters.</p> <p>Supplemental pay to full-time career firefighters each month. (Office of Management & Finance).</p> <p><i>Federal Block Grants (used for hydrants, trucks, other).</i></p> <p>State buys volunteer firefighters insurance for local departments that submit their rosters (Office of the State Fire Marshal).</p> <p>State regulation requires paying volunteer departments \$5 per incident report plus mileage to and from fires, but is not funded now.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
MAINE	<p>Maine State Fire Marshal State House Station #52 317 State Street Augusta, ME 04333-0052 (207) 287-3473 FAX (207) 287-5163</p> <p>Dept. of Conservation Division of Fire Control</p>	<p>25 percent of fire insurance tax funds training and education.</p> <p><i>State and Federal Excess Property Programs.</i></p> <p><i>RCFP funds available.</i></p>
MARYLAND	<p>Maryland Fire & Rescue Institute University of Maryland College Park, MD 20742 (301) 220-7240 FAX (301) 220-0923</p>	<p>Fire, rescue and ambulance fund provides grants for capital improvements (\$5 million).</p> <p>Volunteer Emergency Assistance Trust Fund provides \$750,000 for emergency assistance to volunteer companies that have suffered an "act of God" that has limited their ability to provide service up to state standards.</p> <p>Subsidized training through MFRI.</p>
MASSACHUSETTS	<p>State Firefighting Academy P. O. Box 1025 Stow, MA 01775 (508) 562-1400</p>	<p>Subsidized training.</p> <p>Some funds through special acts of state legislature at end of budget cycle. Check with local state representative.</p>
MICHIGAN	<p>Department of Natural Resources</p> <p>Fire Marshal's Office Firefighters' Training Council 7150 Harris Drive Lansing, MI 48913 (517) 322-1922</p>	<p><i>RCFP funds available.</i></p> <p>Subsidized training available.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
MINNESOTA	State Fire Marshal's Office Department of Public Safety 450 N. Syndicate, #285 Saint Paul, MN 55104-4127 (612) 643-3080	No grant or loan programs available.
	Dept. of Natural Resources	<i>RCFP funds available.</i>
MISSISSIPPI	Fire Programs P.O. Box 22542 Jackson, MS 39225-2542 (601) 359-1062	Money is available to cities and counties for fire & rescue services through various taxes on insurance premiums.
		<i>Community Development Block Grants available from the Public Facilities Department.</i>
		Insurance rebates may be available to departments through State Insurance Office.
MISSOURI	Dept. of Conservation Missouri State Fire Marshal Division of Fire Safety P. O. Box 844 Jefferson City, MO 65102 (314) 751-2930 FAX (314) 751-1744	No grant or loan programs.
		Subsidized regional training available through University of Missouri. <i>RCFP funds available.</i>
MONTANA	Dept. of State Lands Montana State Fire Marshal Dept. of Justice 303 North Roberts, Rm. 371 Helena, MT 56920	No grant or loan programs available.
	Montana State University Extension Service Fire Training School	<i>RCFP funds available.</i>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
NEBRASKA	Fire Marshal's Office 246 14th Street Lincoln, NE 68508 (402) 471-2027 FAX (402) 471-3118	Some state subsidized training available.
	Forestry Division	<i>RCFP funds available.</i>
NEVADA	State Emergency Response Commission	Grant funds available for Haz Mat response training and equipment.
	Division of Forestry	<i>RCFP funds available.</i>
	Fire Marshal's Office Capitol Complex 107 Jacobsen Way/Stewart Facility Carson City, NV 89710 (702) 885-4290 (702) 687-5122	Subsidized fire and Haz mat training
	Bureau of Weights & Measures	Certifies and upgrades all SCBA and air compressors for volunteer departments; state pays all costs.
NEW HAMPSHIRE	Division of Fire Services Department of Public Safety 10 Hazen Drive Concord, NH 03305 (603) 271-2092 FAX (603) 271-3903	No grants or loans available.
		Arson investigation training through State Fire Marshal's office.
		Subsidized training available through training section.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
NEW JERSEY	State Fire Marshal Division of Housing, CN 809 Trenton, NJ 08625 (609) 633-6070 FAX (609) 633-2132 Dept. of Community Affairs Division of Local Government Services	Volunteer Emergency Services Loan program. Revolving \$2 million fund provides \$50,000 loans for up to ten years at 2 percent interest. Supplemental fire services grants for fully paid, part paid, and volunteer fire departments.
NEW MEXICO	State Fire Marshal Dept. of Insurance P. O. Drawer 1269 Santa Fe, NM 87504-1269 (505) 827-3550 FAX (505) 827-3778	Grants to every certified fire department in the state each year for any use except salaries or the development of water distribu-tion systems (\$14 million). Subsidized training through the state academy.
NEW YORK	State Fire Administrator Office of Fire Prevention 162 Washington Avenue Albany, NY 12231 (518) 473-3590 FAX (518) 474-3240	About \$2 million given each year through local state legislature representatives. State-supported fire academy. Special programs in different years; e.g., arson.
NORTH CAROLINA	Fire & Rescue Commission Fire-Rescue Grants Coordinator P. O. Box 26387 Raleigh, NC 27611 (919) 733-5585	Up to \$20,000 available through 50/50 matching grant program for equipment. Relief funds to fire departments on a per capita basis to fund retirement, scholarship, and other programs (\$3.5 million).

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
NORTH DAKOTA	State Fire Marshal State Capitol 600 E. Boulevard Bismarck, ND 58505 (701) 221-5390 FAX (701) 221-5363	No state grant programs.
	Fireman's Association State Land Department P. O. Box 5523 Bismarck, ND 58502-5523 (701) 224-3188	Free training available.
OHIO	State Fire Marshal Dept. of Commerce, P.O. Box 525 8895 E. Main Street Reynoldsburg, OH 43068 (614) 752-8200	Subsidized training available through the training academy and partially funded with <i>RCFP funds</i> .
	Volunteer Firefighter Resources, Inc. (614) 752-7182	Nonprofit organization raises funds for fire departments around the state.
OKLAHOMA	Fire Service Training Association Oklahoma State University Fire Building Stillwater, OK 74074 (405) 744-5727	State subsidized training available. Several programs available to help organize, train, and equip rural departments serving communities under 10,000 people.
	Forestry Services (405) 288-2385	\$100,000 revolving fund to purchase and resell at cost equipment such as protective clothing, fire hose, nozzles, and other simple appliances.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
OKLAHOMA (CONT'D)		<p><i>Federal Excess Property Program available for apparatus. Approximately 200 vehicles per year; almost 2800 in service to date.</i></p> <p>State forestry and public safety vehicles offered to local fire departments before placed on auction.</p> <p><i>Grant program - Up to \$65,000 through 50/50 matching grant for equipment for operations or training.</i></p> <p>State funded "operational" grant program for protective clothing and insurance (\$200,000).</p>
OREGON	<p>State Fire Marshal's Office 4760 Portland Road, NE Salem, OR 97305 (503) 378-FIRE FAX (503) 588-3473</p>	<p>No funding or subsidized training available at this time.</p>
PENNSYLVANIA	<p>State Fire Commissioner's Office Pennsylvania Emergency Management Agency (PEMA) P. O. Box 3321 Harrisburg, PA 17105-3321 (717) 783-5061</p>	<p>Low interest loan program; \$200,000 max at 2 percent up to 15 years for facilities; \$150,000 up to 10 years for apparatus.</p> <p><i>RCFP funds available.</i></p> <p>Subsidized training available.</p>
RHODE ISLAND	<p>State Fire Marshal's Office 272 W. Exchange St. Providence, RI 02903 (401) 277-2335 FAX (401) 726-9633</p>	<p>No grant or loan programs available.</p> <p>Some subsidized training through state fire academy but budget cutbacks have reduced programs.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
SOUTH CAROLINA	Fire Marshal's Office AT & T Building 1201 Main Street, #810 Columbia, SC 29201 (803) 967-8311	State-supported Fire Academy. Funding available through 1 percent tax on property and fire insurance. Departments must meet certain eligibility requirements.
SOUTH DAKOTA	State Fire Marshal's Office Dept. of Commerce & Regulation 118 W. Capitol Avenue Pierre, SD 57501-2080 (605) 773-3562 FAX (605) 773-4117	State subsidized training available. <i>RCFP funds available.</i>
TENNESSEE	Dept. of Economic and Community Development 320 6th Avenue, North 8th Floor Rachel Jackson Building Nashville, TN 37243-0405 Department of Agriculture Division of Forestry P. O. Box 40627, Melrose Station Nashville, TN 37204-0627 (615) 360-0720 State Fire Marshal's Office 500 James Robertson Parkway Nashville, TN 37243 (615) 741-2981	Funds for the purchase of fire apparatus and equipment (\$1 million). Surplus vehicles available through Department of Agriculture, Forestry Division. State-funded dry hydrant installation program. <i>RCFP funds available.</i> Other funding programs available through the Tennessee Fire Commission.

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
TENNESSEE (CONT'D.)	<p>Tennessee Emergency Management Agency 3041 Sidco Drive Nashville, TN 37204 (615) 741-0001</p> <p>Board of Regents (University System) 1415 Murfreesboro Road Nashville, TN 37217-2833 (615) 366-4400</p>	<p>HazMat and Emergency Management Training.</p> <p>Subsidized Training.</p>
TEXAS	<p>Commission on Fire Protection P.O. Box 2286 Austin, TX 78768 (512) 873-1700</p>	<p>Fire Dept. Emergency Fund: 50 percent grants, 50 percent low interest loans (\$1 million).</p>
UTAH	<p>Utah Valley State College</p> <p>Community and Economic Development Division</p> <p>Department of Public Safety 4501 South 2700 West Salt Lake City, UT 84119 (801) 965-4353 FAX (801) 965-4756</p>	<p>Subsidized training and education programs.</p> <p><i>RCFP funds.</i></p> <p><i>Mineral Lease Funds available for apparatus.</i></p>
VERMONT	<p>Fire Service Training Council</p> <p>VT Department of Labor & Industry National Life Bldg., Drawer 20 Montpelier, VT 05720-3401 (801) 828-2106 FAX (801) 965-4756</p>	<p>No grant or loan programs available.</p> <p>Some subsidized training available.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
VIRGINIA	<p>Dept. of Fire Programs Parham/64 Bldg., Suite 200 2807 Parham Rd. Richmond, VA 23294 (804) 527-4236</p> <p>Dept. of Forestry P.O. Box 3758 Charlottesville, VA 22903-0758 (804) 977-6555</p>	<p>Funds available to towns, cities, and counties for training and equipment (\$1 million).</p> <p>50/50 matching fund programs.</p> <p>Department of Forestry state and <i>federal funds available to rural departments.</i></p>
WASHINGTON	<p>Dept. of Community Development</p> <p>Fire Protection Services P. O. Box 48350 4317 Sixth Avenue SE Olympia, WA 98504-8350 (206) 493-2643 FAX (206) 493-2648</p>	<p><i>RCFP funds through regional coordinators.</i></p> <p>Some subsidized training programs through the state training academy and regional coordinators.</p>
WEST VIRGINIA	<p>Department of Military Affairs and Public Safety 2100 Washington St., E. Charleston, WV 25305 (304) 558-2191 FAX (304) 558-2537</p>	<p>Insurance tax premiums (1 percent) available for departments that participate in the NFIRS system.</p>

TABLE 5. STATE BY STATE FUNDING — FIRE AND RESCUE SERVICE

STATE	CONTACT	PROGRAMS
WISCONSIN	Fire Protection Unit Safety & Buildings Division Department of Industry 201 E. Washington Avenue P. O. Box 7969 Madison, WI 53207 (608) 266-3151	Funds available to local communities that participate in annual code enforcement inspections. Money provided ranges from \$650,000 to a few hundred dollars per year (\$6.5 million).
	Dept. of Justice (Same as above)	Arson investigation services available through Dept. of Justice (Fire Marshal's Office)
	Dept. of Vocational, Technical, and Adult Education 310 Price Place P. O. Box 7874 Madison, WI 53707-7874 (608) 266-1207	Subsidized fire training programs (\$635,000).
	Dept. of Natural Resources 101 S. Webster Madison, WI 53707 (608) 266-1207	<i>RCFP funds available on a pass through basis to about 100 departments each year.</i>
	Dept. of Military Affairs/ Division of Emergency Government 4802 Sheboygan Avenue, 99A Madison, WI 53707 (608) 266-3232	Eleven regional Haz Mat teams are state funded. Legislation enacted in 1991 (ACT 104) charges Haz Mat carriers for funding 7 regional 'A' teams and some county level 'B' teams (\$1.4 million).
WYOMING	State Training Coordinator Herschler Building, 1st Floor West Cheyenne, WY 82002 (307) 777-6385 FAX (307) 777-7119	Prevention, Electrical, and Training sections of the Fire Marshal's office provide support for local departments from plan reviews to training and certification.
	State Farm Board	<i>RCFP funds available.</i>

IV. PRIVATE SOURCES FOR FUNDING

There are a wide variety of funds available from private non-profit and for profit organizations. Usually these are "one-shot" grants. Sometimes they extend for several years. Virtually none are for continual support of routine salaries. However, they are excellent for starting new programs, doing special programs, buying equipment and other things that either free up money from more routine sources or permit programs or purchases that cannot be funded from routine sources. Private organizations also may donate materials or services.

Another major source of private funds comes from donations from the general public through a wide variety of fund raisers and solicitations, mostly for funding volunteer departments. Career departments also are tapping this source by establishing foundations to receive donations where legally permitted.

The major sources of private funding are described below.

FOUNDATIONS

There are over 25,000 foundations in the United States. Many of them solicit donations specifically for supporting health, education, and volunteer activities. Others have large endorsements earmarked for a few narrowly-defined activities, yet others have very broad charters.

Foundations exist to give away money for charitable, educational, and other public service activities. They are generally governed by a board of directors or trustees who oversee the financial operations of their funds, and who decide how the foundation's money will be used.

The main resources for information on foundations are the Foundation Center Libraries, located in San Francisco, Cleveland, New York City, and Washington, D.C. A foundation directory is available in many public libraries. The Foundation Center also publishes a pamphlet entitled "Fundraising and Non-profit Development Publication and Services," which lists the various publications available on foundations and other non-profit sources.

Contact: Foundation Center Library Services
 79 Fifth Avenue
 New York, New York 10003-3076
 (212) 620-4230

Large Foundations

Billions of dollars are spent annually by large foundations on public service projects throughout the United States. With the growth of emergency medical services, rescue services and other special services, the opportunities for fire and rescue departments to tap into this funding have been expanding rapidly.

Large national foundations have the financial resources to provide generous grants, but the selection process is very competitive. Their interests and application requirements are often well developed and available to the public through annual reports or brochures. Large foundations tend to seek projects which may have a far reaching impact. Most of these foundations have paid staff members who review proposals and monitor programs.

While the size of these foundations may seem imposing, a well-developed plan may bring a large payback for those dedicated enough to take on such a project. In forming ideas, one should keep in mind the goals of the project and attempt to find foundations with similar goals. Ideas that solve a problem, serve an at-risk population group or community, and that could be evaluated and copied in other communities would have the best chance of gaining large foundation support. When researching foundations, make sure your project fits into their general funding pattern in terms of the size of the grant you are seeking, the geographical location of the project, the type of support you need, and the type of recipient for the financing.

Local Foundations and Community Service Clubs

Smaller local foundations and community service clubs may be more oriented towards community concerns such as local fire protection, EMS, and rescue than are the large foundations. Grants are usually smaller, but are more likely to be awarded for general budget support. Often these foundations are concerned with the needs of a particular city, county, region, or state. Foundations exist for projects helping Indianapolis and New York City, for example. Community foundations may or may not be named after the community they serve, but all publish annual reports detailing their financing and grants. When researching foundations that serve your area, make sure that the grants are of the size you need, are the type of support you want, and are not restricted toward particular organizations. Personal contact with foundation board members or trustees is very helpful; some may reside within your district.

Proposals for local foundation support should be based upon a well-defined local need. A narrowly focused project is more likely to get funded by a small foundation than a broad project whose benefits are hard to evaluate. If you are attempting to solve a local problem, look for a local foundation or service club. If you are attempting to solve a problem of statewide or national importance, then look for a foundation with a statewide or national focus.

For all types of foundations and service clubs, be aggressive. Find out who the "right" people are and follow up all mailed-in proposals with telephone calls or personal contact. Network within your community, in country clubs, citizen associations, service clubs and places of worship to find out if any members of your community may be able to help your organization make contacts.

Never underestimate the importance of personal contact. Seek out key individuals, especially in smaller, local foundations and service clubs like the Rotary, Elks, Kiwanis, etc., which may rely upon personal knowledge of the applicant organization to judge its credibility and capability.

Chautauqua County, New York, has received funding from local private foundations for a rescue truck chassis. Service clubs such as the Elks, Moose, and American Legion have donated money for two air compressors to refill SCBA.

Applying for Funding

The basic mechanics of applying for foundation funding are as follows, whether it is a large or small foundation. Much the same approach also is applicable for appeals to local service clubs.

Step 1: Research your needs and define your objectives. Before you ask for funding be sure you have a thorough understanding of your own organization, your proposed project, and your project's purpose. Only with this information in hand will you be able to target the appropriate foundations for funding.

Step 2: Make sure your organization has obtained I.R.S. Determination of Tax-Exempt Status under I.R.S. section 501 (c) and (b). This is the non-profit status that many organizations assume they have been granted.

Your local I.R.S. office can provide you with these forms, or call 1-800-829-3676. Almost all foundations limit themselves to funding non-profit groups.¹¹

Step 3: Research potential target foundations or service clubs. These may be found through bank listings, newspapers, or phone directories. The Foundation Center is the primary source of information on foundations. It consists of a network of over 180 library centers throughout the country which provide extensive foundation-related information. Working with the Foundation Center Library nearest you, prepare a list of foundations you will target based upon geography, type of financial aid available, and mutual goals shared between the foundation and your project.

Step 4: Letters of inquiry should be sent to the foundations or clubs you have decided to target. The letters should be no longer than three pages. You should clearly but briefly describe the nature of your organization and the program for which you are seeking, funds. Describe the problem you want to address, the method you will use to address it, the total cost of the project, and the amount and type of support you are seeking, and how it relates to the foundation's sphere of interests. You should provide proof of your tax exempt status and possibly a copy of your organization's annual report, if it is recent and attractive. Offer to send a proposal for their consideration or to arrange a meeting with foundation officials to discuss your project further. Follow up by phone within two weeks.

Step 5: A full proposal for funding should be prepared if you get a positive response to the letter of inquiry. The proposals should be short and to the point (5-15 pages). Unless the format is specified, the proposal should include the following:

¹¹ Among the key IRS forms and guides are: Form 8718, "User Fee for Exempt Organization Determination Letter Request," Package 1024, "Application for Recognition of Exemption Under Section 120," and Package 1023, "Application for Recognition of Exemption Under Section 501(c) (3) of the Internal Revenue Code."

A) **Cover Letter:** This should highlight the features of the proposal that would be of greatest interest to the foundation. Outline why the foundation was chosen, and indicate the specific amount of money and the type of support being sought.

B) **Table of Contents:** List the major sections of your proposal including any documentation you enclose.

C) **Project Summary:** Describe the purpose of the project, total budget for the project, and the specific amount requested. Include a work plan or plan of action, and describe the expected results. (As an option, incorporate this into the cover letter.)

D) **Introduction to your organization:** State the mission of your organization, giving a brief summary of its activities and pointing out notable recent achievements. Describe the key sources of past support. Convince the prospective foundation that you are capable of undertaking the project and are worthy of their support.

E) **Problem Statement:** State your problem as clearly as possible and describe how your project will address it. Narrow the focus so that the problem is solvable within the scope of the project. Speaking too broadly may hurt your proposal. Illustrate that the need for the project is real, and that the approach builds upon lessons learned. Identify community target groups to be served and provide enough information to show how the project may help them. Document the problem and expected success of your program with recent studies, statistics, and statements by public officials. Most importantly, be as specific as possible.

F) Goals and objectives: Your goals should be clear and promise a reduction or solution to the problem. Objectives should be stated that will provide the basis for evaluating the program in some measurable fashion.

G) Implementation methods and schedule: Describe the specific plan of action and why you have chosen that approach. Outline duties of specific staff members or volunteers. Provide a timetable for project completions and include the most desirable times for starting and finishing the project, especially if the activity has a seasonal focus.

H) Evaluation criteria and procedures: It is important to evaluate outcomes resulting from your project, as this will show whether the project was successful and enable you and others to learn from the successes and failures of your efforts. If your objectives are specific and measurable, it will be easy to develop evaluation criteria. Having evaluation criteria also shows you are serious, professional, and intent on having a measurable impact.

I) Budget: If you are asking for funds for a specific project, provide a budget for the project. Make it detailed enough to demonstrate that you are cognizant of the full range of what you need and possible problems which may arise. If you will be receiving funding from other sources, list them. (Some funders like to be the sole source involved, others like to share costs with others.) Also, summarize the overall operating budget for your organization to put the cost of your project in context.

J) Future of the project: Explain specific details for supporting the project after the foundation funding has expired. If funding is requested for apparatus, for example, explain plans for maintenance.

K) Appendix: Include supplementary documents, such as an IRS tax exemption letter, a list of your officers or board of directors, your current operating budget and funding sources, audited financial statement, resumes of project personnel, letters of endorsement, and relevant news clippings or publications about your organization.

Research and homework on the foundations are the keys to success. In developing the list of prospective foundations, only a few may have an explicit interest in fire protection or EMS listed in the goals, but many may be interested in broader subjects such as safety, public education, aid to low-income families, or health care, under which your project may fit. Timing is often critical as many foundations have deadlines for applications and their governing boards may meet only a few times per year.

Be sure you know your organization and its mission well. Convincing the foundation that your project matches their interests is the key to receiving funding. You must clearly communicate what you intend to achieve with your project and how you will carry it out. If your goals do not match those of the foundation -- don't apply. Mass mailings don't work, and will waste your time and money.

CORPORATE DONATIONS

Private corporations are sources for grants, in-kind services, and various types of co-developments and partnerships. While many of the rules are similar to approaching foundations, there are some distinct differences.

Many municipal fire departments are not allowed to accept cash donations from businesses. Some departments, such as New York City, have set up foundations that can accept the money and buy goods or

services that can be given to the fire department. In other cases, such as Hartford, Connecticut, the city council has had to pass a resolution allowing acceptance of a particular grant.

Cash Donations

Corporate donations to fire departments and EMS squads have been used to fund many diverse projects, from purchasing apparatus to starting fire education programs. Many large corporations such as IBM, AT&T, McDonald's, insurance companies, and many others have given grants from their corporate foundations or direct from corporate monies. Sometimes large grants are given by lesser known corporations. For example, the Quantum Chemical Corporation has established a generous record of giving for special projects in emergency medical service, with over \$600,000 donated to EMS since 1989, and \$2 million to purchase television advertising for the recruitment and retention of volunteers for emergency medical services. The Virginia Farm Bureau Mutual Insurance Company has a Dry Hydrant Grant Program that gives funds to needy fire departments.

Most corporate donations are spent on local community groups near corporate facilities, or related to corporate programs. Look for large corporations with headquarters, branches or outlets in your community. Some to consider are fast food restaurants, gasoline stations, factories, and independent insurance agents. Approach the corporation as you would approach a foundation, keeping an emphasis on personal contact. Ask local companies to put you in contact with their national or international offices.

Corporations gain public exposure as well as tax benefits from donations. You may wish to display a company logo on some of your equipment, or in some of your fire prevention or safety brochures.

The information to incorporate in proposals for corporate grants is generally similar to what was described for foundations. An added topic to include for corporations is a description of the potential benefits to the corporation; e.g., positive publicity, increased corporate safety, increased awareness of the company's products or services).¹²

Many corporations have programs to match donations made by their employees. Find out whether large firms which operate in your area have such programs. If they do, target their employees for contributions and explain to them that their personal donations will be matched by their employer (sometimes on as much as a three-to-one basis). In this manner, local employees will feel they are supporting a local service, but they will effectively be making a much larger contribution than they otherwise would be able to make.

A fairly common use of corporate donations is to fund fire prevention projects or equipment. The Kalamazoo, Michigan, area fire marshal's office is now working on a Fire Prevention Education Trailer to help give hands-on education to children in the community. A 42-foot trailer was donated by Tecon Trucking and the Breakfast Optimist Club of Kalamazoo, and lumber was donated by a local lumber yard. Other supplies were donated by various other local businesses. Six fire departments pooled resources for additional equipment and manpower to build the trailer, for a total combined amount of \$40,000.

Kalamazoo also has drawn from multiple donors to fund a comprehensive fire education program for children and parents. Funding sources include corporate sponsorship, private donations, and shared resources among different departments. McDonald's Restaurants donates over \$2,400 a year and provides "Ronald McDonald" for many of the events. Grants also were received from the Department of Commerce (\$10,000),

¹²

For additional ideas on how to approach a corporation, see "Taking It For Granted: 10 Steps to Success, Karen Fernicola Suhr, *Firefighter's News*, December 1992. Also, Steven Haber of the Atlanta Fire Department was preparing a book on this subject at the time this report was written.

Bronson Hospital (\$4,000), and other local organizations. This program was developed after several children were killed in a structure fire in 1986 in Kalamazoo.

Contact: Martin Myers, Deputy Fire Marshal
Kalamazoo Department of Public Safety
215 W. Lovell
Kalamazoo, Michigan 49007
(616) 337-8285
FAX (616) 337-8245

Farmington Hills, Michigan is currently working with several neighboring departments in developing a non-profit organization to be called the Michigan Fire-Safety Foundation. They hope that this foundation will be eligible to receive corporate donations as well as private contributions to establish a continual supply of fire education and prevention funding in their area.

Contact: Lt. Michael Garr
Farmington Hills Fire Department
28711 Drake Road
Farmington Hills, Michigan 48331
(313) 553-0740

The Atlanta, Georgia Fire Department is making a major effort to raise private funding. It has created a new grants coordination unit focused entirely on applying for corporate, foundation, and government grants. The head of this unit was recruited from the city's police department, which had much broader experience in applying for grants than the fire department.

The grants unit is based upon a public-private cooperative model and will handle all aspects of marketing of the agency, public relations, project development and grants presentations. Certain types of industries and corporations are "targeted" for funding presentations based upon the size and scope of funding needed and the project itself. Over \$700,000 has been earmarked by local industry thus far (since July 1993),

and the five-year strategy contains over \$10 million dollars worth of projects based upon the "tailoring" of project to meet the needs of the fire department and also acceptability to local business and industry for possible funding.

Contact: Steven Haber, Director of Grants Management
City of Atlanta Fire Department
675 Ponce de Leon Avenue
Atlanta, Georgia 30308
(404) 853-7000

In-kind Services and Equipment

Private companies of all sizes are often willing to donate in-kind services to support public safety projects, particularly if a tax deduction can be obtained. Examples of in-kind services are reproduction of prevention pamphlets and printing of public service messages on grocery bags. Media production companies may be willing to donate services to produce public service announcements for radio or TV. Companies often also donate used vehicles for canteens or utility trucks. Charlottesville, Virginia, for example, received from the local power utility a second-hand truck that was refurbished to carry the department's high-volume smoke removal system.

Hardees Restaurant and the Memphis Fire Department have developed a relationship over the past few years which has benefitted both organizations. The company provides a cargo van that responds to all two-alarm fires and other major incidents. The van is staffed with volunteers from the restaurant, and provides food and beverages for firefighter rehabilitation. A large Hardees logo is painted on the side of the van. The Hardees van has received a very positive response from the Memphis firefighters and the community.

Contact: Memphis Fire Department
65 S. Front Street
Memphis, Tennessee 38103-2411
(901) 458-8281

PRIVATE/PUBLIC PARTNERSHIPS

There are a growing number of opportunities for fire departments to work with businesses for mutual benefit. Shared use of resources, co-development of property, and joint research and development projects are some of the main forms of partnership.

Co-Development

The land where fire stations are currently situated may be extremely valuable for private sector development. Some fire departments (such as New York City and Boston) have been successful in trading such sites for new fire stations incorporated within major complexes built by private developers. A variation is for the developers to provide land and sometimes a station for new development projects that are far from other stations, as part of negotiations on mitigating impacts of development.

The City of Boston had an example of an offer "they could not refuse." Developers had their eyes on creating a downtown office complex in the heart of the city's financial district. In their way was Boston Fire Department's old Engine 10, occupying a key piece of land among the city's high-rise office buildings. In exchange for the station property, the developers agreed to build a new \$4 million flagship headquarters station on the first two floors of a new high-rise building in the complex. The new station now houses Engine Company 10, Rescue Company 1, a Tower unit, a Hazardous materials Unit, and a Deputy Chief. Prime parking in Boston's financial district being competitive and expensive, thirty parking lot spaces have been reserved for the fire department in the building's garage.

Pleased with the results of the co-development of their flagship fire station, the Boston Fire Department accepted another offer, to abandon their fire boat pier space so that a developer could build a new waterfront condominium development. In return, the developer provided a new space to dock the fireboat, and a new first floor condo as quarters for the fire boat personnel.

As a result of these successful projects, the City of Boston has been looking to expand its development projects with the private sector.

Contact: Chief Paul Cooke
City of Boston Fire Department
115 Southamptton Street
Boston, Massachusetts
(617) 725-3610
FAX (617) 725-3329

In other cities, land or even an entire fire station has been required to be part of the design of a new community or new complex by the city zoning and planning officials even where no fire station or EMS unit existed before, just as public park space or schools are negotiated into new development. Fire departments, working closely with plan reviewers, can suggest these quid pro quos to the city planners and zoners or other appropriate agencies.

Shared Resources

Expensive resources may be shared with private fire brigades as well as with other jurisdictions. And vice versa, some private companies have their own fire brigade and apparatus that can be shared with or loaned to local departments, or used in place of public fire units. For example, most petrochemical refineries have foam trucks, and may be willing to respond to a small number of calls to areas outside their gates. Many

companies with hazardous materials store foam or other supplies that the fire department can use in lieu of buying the same with public resources for a limited application.

Another variation of shared resources is where a private company purchases equipment for its local public fire department with the understanding that the equipment will be staffed and used for fires in the private company but can also be used elsewhere. For example, a corporation based in Point Pleasant, Kentucky purchased a mobile high-volume, positive pressure air movement system for the local fire department in lieu of having to build in an expensive exhaust system for its large warehouse facility.

In Tempe, Arizona, the City of Tempe and a private utility company, Arizona Public Service, combined to build a \$1.7 million training academy for use by both City and the utility's firefighters. The development of a combined training center took four years. The utility provided eight acres of land at one of its power plants for the facility, saving the citizens of Tempe about \$1 million dollars. The new training center is equipped with live fire training, a maze, technical rescue training areas, and extensive electrical/industrial fire training areas.

Contact: Linda Arthers
City of Tempe
(602) 350-8907

Wayne Kaplan
Arizona Public Service Company
(602) 250-2277

Shared R&D

Many fire departments have helped manufacturers develop and test new products. Not only is this educational, but the fire department often gets to keep the prototype, or gets a supply of the new product gratis. Types of testing have ranged from foam additives to entire apparatus and protective outfits.

The Atlanta, Georgia Fire Department is on the verge of taking private/public partnership to a new level. They are negotiating with a major research corporation to help develop new technology for firefighter protection and communications. The department will receive free state-of-the-art equipment in return for helping field test the concepts and contribute ideas. The department may also receive royalties on the new equipment and may feature the corporate partners' name on their apparatus. The fire department will in fact or in essence be a "stockholder" in a joint venture with the private research corporation. This agreement was in the decision stage as this report was written. Regardless of whether this particular arrangement reaches fruition, it demonstrates a new, promising concept for public/private cooperation.

Contact: Steven Haber, Director of Grants Management
City of Atlanta Fire Department
675 Ponce de Leon Avenue
Atlanta, Georgia 30308
(404) 853-7000

Private/Public Fire Protection Cost Tradeoffs

There can be a tradeoff between public sector expenditures for fire protection and EMS, and private sector expenditures. Tradeoffs in private sector development plans vs. built-in fire protection are sometimes explicitly a part of building and fire codes, and sometimes done by exception. The tradeoffs can be made for an entire area or for a particular building or building complex.

Private sector improvements in built-in fire protection can reduce the need for public fire protection. A Chicago suburb reduced expenditures by a whole fire station and fire company by getting virtually all buildings in the community other than private homes to be fully sprinklered. This only works to reduce public costs if an entire area is sprinklered; sprinklering every other structure adds greatly to protection but does not affect fire suppression costs very much unless the suppression units had been overloaded.

Cobb County, Georgia was one of the first places in the nation to allow builders to build residential complexes more densely and with different construction techniques if they fully-sprinklered the entire complex.¹³

Contact: Chief David Hilton
Cobb County Fire & EMS
1596 County Farm Road
Marietta, GA 30060
(404) 528-8000
FAX (404) 528-8015

VOLUNTEER FUNDRAISING

Much of the volunteer fire service is funded wholly or in large part by donations from citizens and businesses, though some volunteer fire departments are almost entirely supported by taxes. Funding sources range from traditional yearly door-to-door fund drives to bake sales, Casino nights, bingo, and sports events. If there is a way to make money legally, a volunteer department somewhere has most likely used it in an effort to raise funds.

Overview of Approaches

In addition to using many of the sources described earlier, volunteer ambulance and fire departments have raised funds from:

- (food sales (including open-grills, formal dinners, bake sales, pancake suppers, and barbecues)
- (entertainment events (such as dances, amusement park "days," carnivals, rodeos)

¹³ *Operation Life Safety*, jointly sponsored by the U.S. Fire Administration and the IAFC, has more details on such tradeoffs for sprinklers.

- (sports events (including turkey shoots, donkey baseball, softball, fishing, golf)
- (gambling (where legal, including casino nights, bingo, horse races)
- (raffles
- (door-to-door solicitation
- (direct mail solicitation
- (public service announcements soliciting funds
- (selling ad space in annual reports
- (donations of services or money from industry
- (sale of honorary memberships
- (sales of goods (such as logo-embossed T-shirts, firefighter calendars, antiques, beverage insulators)
- (sales of services (such as car washes or pet baths)
- (shared profits with private vendors of commercial services (such as photographs) or consumer goods¹⁴
- (water meter bills (discussed below)

Volunteer departments have an advantage in being able to raise money without as many restrictions as paid departments have. Donations to the volunteers are usually tax-deductible. (Some career departments, such as New York City, have set up foundations to receive tax-free donations for special purposes, too.) However, volunteer companies should be aware that they are still regarded as a public service entity and may be held accountable for the methods they use to raise funds, as well as how the money is spent. The public's perception is important. Volunteer companies must abide by state and local ordinances, which vary considerably across the nation. Bingo may be legal in one district and illegal in the next. Companies should be prepared to have their finances open to the public.

¹⁴ The fire department name and/or fire department space is loaned to the vendor, or the vendor gives the department goods or services at wholesale that are sold at retail.

Volunteer companies also should carefully consider the costs versus the benefits of taking on new funding projects. Year-round bingo for example, may be highly time consuming for volunteers and "burn them out," whereas an annual fund drive may be easier to take on as a company project.

The clarity and content of the fund-raising message to the public must also be given careful thought. Will the money be said to be earmarked for a tangible project, such as a new ambulance, engine, or fire station, or will the money be going toward operating expenses that are harder for the public to visualize, such as the electrical bill or administrative fees? It may be easier to raise money towards a specific project, like an engine, which the public more readily perceives as having a direct effect on its department safety.

Fire departments should tailor their funding methods to their community's characteristics. Would a small community respond best to door-to-door efforts? Would a larger, more affluent community best be reached through a mail drive? Are the local citizens most likely to attend regular bingo nights, an annual fair, or an annual antique sale?

Consider the media to use: flyers, newspaper advertisements, radio spots, presentations to local civic and religious organizations, or requests to organizations to solicit on behalf of the fire department or rescue squad. Also, carefully consider the timing of fund-raising efforts. If a department has tax exempt status, it may wish to reach out just before the year ends. Be careful not to constantly bombard the community, lest they start to think that the department is only in business for the money.

Utilize community resources: businesses may be willing to advertise promotional messages for fund-raising campaigns. Schools may be willing to let departments send flyers home with children. Local celebrities may be willing to endorse the efforts.

The City of Virginia Beach maintains a combination of 11 volunteer rescue squads which collectively make up one of the largest all-volunteer EMS organizations in the United States. The eleven squads do their own fund-raising and maintain independent administrations. The training and operations are maintained by the City's Department of Emergency Medical Services. The City pays for station overhead costs such as electricity, fuel and insurance through tax funds. The volunteer corporations make up the remaining costs through twice a year direct mail fund drives, mini-grants from the state rescue squad assistance fund, and a city-supported government "United Way"-type program which brings in about \$10,000 per year. The department also receives excellent media support through public service advertising, including a TV spot and three full newspaper spots.

Contact: Virginia Beach Volunteer Rescue Squad (804) 437-4830
Mr. Rick Shay (804) 622-3300
Mr. Courtney Dyer (804) 428-8000

Bill Kiley, Department of Emergency Medical Services
1917 Arctic Avenue
Virginia Beach, Virginia 23451
(804) 437-4850
FAX (804) 425-7864

The sections below expand on some of the key volunteer fund-raising techniques mentioned above, especially where there is a novel twist or emerging trends. Virtually any volunteer fire department is a source of ideas on the more traditional methods.

Water Meter Charges

Some volunteer departments raise revenues through charges or donation requests that are directly attached to utility bills. These charges are not taxes because the resident has the option of deducting the charge from the monthly bill.

In Spur, Texas, the volunteer fire department raises funds through a water meter charge, or mandatory "donation," of \$2 or \$5, depending upon whether a home or business is being charged. The charge must be approved by the local voters through a referendum, since it is like a tax.

Contact: City Secretary
Spur, Texas
(806) 271-3316

Cyprus Creek, Texas EMS in suburban Houston, has a different approach to collecting donations using water meter bills. Local water districts (called MUDs or Municipal Utility Districts) add a fee of \$3 to \$4 to each water bill as a "donation" for EMS service. All charges and fees on the water bill are itemized and then totaled to include the EMS donation. Customers who do not wish to make a donation may deduct the amount for EMS from the total. The idea of using water bills to collect donations was selected over user fees as a preferred method of raising funds.

The original household assessment for each municipal utility district was determined by setting the suggested minimum donation at \$0.50 per month per household for the homes with the lowest value or lowest gross income. Areas with higher property values or household incomes were assessed \$1.00 per month per household, and \$1.50 in the area with the highest property values and incomes. Rates subsequently have been adjusted periodically to keep pace with inflation and increased demand for service.

This funding mechanism currently generates about \$2 million annually for Cyprus Creek. The 1993 budget for the organization was \$1.7 million. In addition to the cash donations, Cyprus Creek has received substantial in-kind donations such as personal computers from Compaq Corporation, which is based in its district, and a new ambulance valued at \$60,000 from a local women's group. One of its stations is located on land bequeathed by a well-to-do area resident.

Although the current funding system has held Cyprus Creek EMS in good stead, anticipated demands for training and equipment are forcing system administrators to consider other funding sources to fill future needs. One of the alternatives under consideration is third-party (insurance) billing.

Cyprus Creek EMS operates 8 mobile intensive care (ALS) ambulances from five stations. The units are staffed by 192 personnel, 17 of whom are paid paramedics. Cyprus Creek's innovative and aggressive approach to funding has permitted it to remain one of most progressive and respected EMS systems in the country.

Contact: Brad England, Executive Director
Cyprus Creek EMS
Houston, Texas
(713) 440-9650
FAX (713) 440-7677

Direct Mail

Direct mail fund-raising has proven to be one of the most effective means of raising money for volunteer fire departments and rescue squads. With increasing demands upon fire service personnel for emergency responses, additional and mandatory training, and ever increasing administrative responsibilities, many departments simply do not have the time to send their personnel on the traditional door-to-door fund-raising campaigns of the past.

Direct mailing costs include printing a letter and self-addressed envelope for each household and business. Departments can register as a tax-exempt organization with the U.S. Post Office and take advantage of reduced mailing rates. Coordination with local media (community newspapers, radio, and television stations) can help alert the public to the fund-raising campaign. Some campaigns solicit general support and some target funding for a new piece of apparatus, a building fund, defibrillators, or some other specific need. Market research may help in designing the message.

Many departments hire outside agencies to help with direct mail fund-raising. Outside companies can provide technical support and expertise. This may include preparation of documents, mailing lists, and statistical information on the types of information that work best for the demographics in your area. Most importantly, an outside agency greatly reduces the amount of time placed upon volunteer members. This alone may be worth the cost of hiring an agency. The money invested in fund-raising professionals usually is offset by increased revenues.

A detailed analysis of the responses by geographic area is useful after a first fund drive is completed. One can divide the district by ZIP codes, postal carrier routes, streets, type of residence, or size of donations. This would show where the fund-raising efforts were most successful and where they failed, so that the next fund drive may be altered to improve results. Some volunteer companies send a second mailing to addresses that failed to respond to the first mailing. Many volunteer departments are able to make between 20 and 30 percent of their total revenue from this second mailing.

The Hackettstown Rescue Squad in New Jersey had been raising funds by traditional door-to-door efforts since it was founded in the 1950s. During their best year they raised \$22,000. Four years ago the department started contracting with a private company that specialized in direct mail fund-raising for fire departments. Costs for the mailing was about \$3,000, and some members were skeptical about the new technique -- until the checks came in. That first year, Hackettstown raised over \$42,000 from their direct mail efforts.

A standard letter requesting funds was sent to all homes and businesses. A second mailing went to addresses that had failed to respond to the first letter. The second mailing raised over \$10,000. Last year, under the advice of their direct mail company, Hackettstown switched to separate letters targeted for businesses and homes. Revenues have remained steady at around \$40,000 a year, despite the recession. Hackettstown's total budget is just under \$100,000 a year, made up from their direct mail campaign, a \$30,000 yearly donation from their township, and other funding activities. They respond to 800 - 1000 emergency calls each year. The major problems encountered by their fund-raising efforts have been at the Post Office, where bulk mailings are often delayed because of their fourth-class nature. This has led to a slower dispersal of letters throughout the Squad's district, causing some coordination problems in advertising their campaign.

The Chestnut Ridge, Maryland Volunteer Fire Department has used direct mail campaigns for over twenty years. They have hired a private company to assist in the campaign since the early 1980s. Their community is made up of high-income, upwardly mobile professionals, and like many communities, has been making the transition from a rural to a suburban district. Because of the demographics of their area, direct mail has been the most efficient way to raise funds. Chestnut Ridge has found that the key to success is in a good mailing list and a message that is of real concern to the public. Rather than send out general flyers, they attempt to make their community aware of specific problems that must be overcome to provide fire protection. Chestnut Ridge raises an average of \$40,000 a year through their direct mail campaign. They send the mailing at the same time every year. In support of the campaign, they post political campaign-style posters around their community advertising the same message they have used in their fund-raising letters.

Contacts: Mr. Brian Madden
Hackettstown Rescue Squad
P.O. Box 201
Hackettstown, New Jersey 07840
(908) 852-3130

Mr. Harry Kakel
Chestnut Ridge Volunteer Fire Department
12020 Green Spring Avenue
Owings Mills, Maryland 21117
(301) 887-7781

Mr. Don Stoetzer, OCS
Omni Computer Services (Direct Mail Company)
1-800-877-4627

The Bethesda/Chevy Chase, Maryland Rescue Squad conducts an annual door-to-door fund-raising drive combined with a mail solicitation campaign that raises the huge sum of \$600,000 per year. They have their own paid personnel as well as numerous volunteers and a large, modern rescue vehicle fleet.

Contact: Chief David S. Dwyer
Bethesda/Chevy Chase Rescue Squad
5020 Battery Lane
Bethesda, Maryland 20814
(301) 652-0077
FAX (301) 656-3350

Casino Nights

Casino-style gambling involves selling chips or tickets used to make wagers in roulette, blackjack, craps and other forms of gambling found in Las Vegas or Atlantic City casinos. The local fire department plays the role of the house, and earns money by paying odds that do not return all of the bettors' money in the long-run, and/or by taking part of the pot. They may also charge an admission, and run concessions.

Prince George's County, Maryland volunteers are among the most successful in the nation at fund-raising. Several of the volunteer departments in the County specialize in fund-raising through casino gambling, which is legal in Prince George's County as long as the proceeds go towards a charitable organization. Fire companies such as Beltsville, Riverdale, Bladensburg, and Berwyn Heights have raised millions of dollars towards the purchase of new apparatus and equipment from fire department-sponsored casino nights.

Casino nights may be held at fire department stations or at facilities rented out for this purpose. Revenues from casino gambling in Prince George's County exceeded \$16 million in 1991. Last year, Berwyn Heights Station 14 placed over \$1 million worth of new apparatus in service, including a new ladder truck and "mini-pumper" (a \$400,000 Rescue-Engine). The Bladensburg Volunteer Fire Department has averaged more than \$1 million net income since 1990 and used the funds to purchase new apparatus and to fund training and operations.

Some departments rent out their gambling facilities to other charitable organizations such as church groups when they are not fund-raising for themselves. Volunteers in Beltsville, Maryland, for example, charge approximately \$3,000 per week to groups that wish to use their facilities to run gambling operations. Beltsville plans to purchase \$800,000 worth of apparatus this year with the net proceeds of their gambling and rental activities.

Departments may look at gambling as the solution to their funding problems, but need to be wary. The major downside of gambling is that it can lead to a tarnished image and the possibility of charges of corruption and embezzlement if not carefully managed and policed. The temptation to pocket cash is there. Social and legal barriers to gambling in the community also may need to be overcome. Department personnel should be ready to devote a large amount of time to the effort involved in starting and running a casino operation; this type of fund-raising often becomes a business unto itself. Also, the future for volunteer casino gambling is in some doubt as the IRS and other federal agencies are considering various aspects of it. One fire department

was slapped with a \$600,000 penalty by the IRS. Casino gambling must be approached carefully and with the advice of the attorneys and accountants.

Special Events

Many volunteer fire departments have successfully raised funds through annual special events, which also can be the cornerstone of an annual fund drive. The events often require large amounts of preparation and effort on behalf of department members, but the results may be worthwhile financially and for their enjoyability. One of the most famous special volunteer firefighter events is the annual auctioning of wild ponies in Chincoteague, Virginia, for the benefit of the local volunteer fire department. The ponies are rounded up and then herded in a swim to the mainland.

The St. George Island (Florida) Volunteer Fire Department has an annual chili cookoff. From a modest start in 1983, the cookoff grew into an annual event which helped raise over \$40,000 last year. The department has used revenues from the cookoff to purchase a pumper-tanker and a rescue truck, and to train and outfit its volunteers. Fire insurance premiums in the area have been lowered due to the increased level of service the department is now able to provide. This event helped the community to be named "Florida Outstanding Rural Community of the Year" by the Florida Department of Commerce.

A mainstay for many fire department is the annual carnival and parade, usually held during the summer. The department usually provides the land to hold the traveling carnival, and arrangements are made to split the proceeds. Often other fund-raising events such as raffles are held in coordination with the carnival. Such annual events are also excellent for bringing fire prevention messages to the community and for recruiting new members. The Urbana, Maryland Volunteer Fire Department holds a week-long carnival each summer that grosses about \$50,000 and nets about \$32,000. It is a highly labor intensive affair, as the department is responsible for all the concession stands and booths at the fair. A committee works year-round arranging the logistics of the event.

Many special fund-raising events involve sports. Each year, the Deltaville Volunteer Fire Department in Virginia takes advantage of the nearby waters of the Chesapeake Bay to sponsor an annual Bluefish Tournament. Entry fees of \$135 are charged per boat, with a limit of 350 boats; large cash prizes are handed out, and the event is sponsored by the Anheuser-Busch Brewing Company. Other fund-raising events take place during the weekend to augment the revenues from the tournament. The department nets \$20,000 - \$30,000 each May, depending upon the weather and the fish. The event has become so popular that the number of boats allowed to enter had to be cut back because of safety on the waterways.

Contact: Deltaville Volunteer Fire Department
Bluefish Tournament Committee
P.O. Box 440
Deltaville, Virginia, 23043

Another fund-raising sport is the turkey shoot. One department in Alabama has about a dozen contestants take one shot for a prize, at \$2 to \$3 per shot. The shooter with the best score wins the prize, which may be a ham or turkey. The charge per shot varies with the value of the prize. *Field and Stream Magazine* has been involved in promoting some of these contests in the past.

Many departments hold softball or whiffle ball tournaments and charge registration fees for teams, as well as manning concession stands. Some departments hold "donkey" softball or "donkey" basketball tournaments, where the players ride donkeys, making for an amusing spectacle.

Many departments sponsor golf tournaments to raise funds. These events often have cash prizes and special contests such as diving competitions. Money is raised from selling sponsorships for the tournament, for individual holes, and through entry fees for contestants and fees.

Annual barbecues are also popular ways to raise funds and develop good relations with the surrounding community. They can often be combined with other fund-raising events. The Edinburg, Texas Fire Department's annual barbecue is attended by 4,000 to 5,000 guests. Some departments charge a flat rate, such as \$10 a head. Discounts are often offered to children and special groups.

Some local businesses may be able to assist in fund-raising efforts. McDonald's Restaurants have a program where \$2 tickets for pancake breakfasts are sold by volunteer groups. \$1 goes to the volunteer group for every ticket sold.

Sales of Products and Services

Many organizations offer commercial products and services at wholesale prices to be sold by volunteer departments for profit. Volunteer departments have sold fruit, Christmas cards, calendars, insulated mugs, and many other items.

The Lavale Volunteer Rescue Squad has been selling citrus fruit annually since 1980. By 1990, they were making about \$10,000 a year from fruit sales. Incentive programs were established, offering prizes to members who sold the most fruit. In 1990, the squad was able to purchase a \$73,000 ambulance with money from the fruit sales.

Contact: Ken May
Lavale Rescue Squad
Lavale, MD 21502
(301) 729-4458

Other sales efforts may be tied directly to public safety. Departments may sell items such as fire extinguishers, smoke detectors, or first aid kits though most typically these are sold at or close to cost, and do not raise much net profit. One fire company sells water purification products for use in emergencies. Safety-related items can be purchased for resale to the public as part of an emergency preparedness campaign or as part of a disaster relief plan.

The Cabin John Park Volunteer Fire Department in Montgomery County, Maryland, raised over \$18,000 towards the purchase of a heavy rescue squad through sales of family photographic portraits. The department's Ladies Auxiliary arranged with a photographer to offer the portraits to members of the community. The photographer's own employees canvassed the community on behalf of the department. The Fire Department provided space for the photographer to take photos in the firehouse. Most of the work was done by members of the auxiliary and the photo company, leaving the department's members free of time constraints. The portrait fund drive took place over a six week period. The Fire Department received a \$15 dollar donation check and each family received one complementary portrait. The photography company received money only from additional orders made by each family. Other departments have handed out coupons for photographers, then split the profits of any business that the photographer brings in from the coupon.

Departments arranging this or similar types fund-raisers should carefully check the background of companies with which they plan on working, and the quality of the products or services. If the company is going to directly solicit funds on behalf of the department, make sure they are representing the department in a favorable light. Advertise the sales events before hand, and be prepared for citizens to call the department inquiring whether the effort is legitimate.

Many fire and rescue organizations have produced calendars as a fund-raising method, some raising thousands of dollars. The most successful have depicted models in bathing suits or firefighters (both male and

female) in various degrees of dress on apparatus and at the scene of mock incidents. Departments such as Houston, Texas, Kentland, Maryland, and Pleasant Hills, Pennsylvania, to name just a few, have used calendars to raise funds for various projects. However, pin-up style calendars are often controversial, and branded as sexist. They can adversely affect public perception of the fire and EMS department.

The Pleasant Hills (Pennsylvania) Fire Department was one of the first to become involved in calendar production. In 1989, they raised over \$90,000 from their calendar, which they marketed nationally. As other departments began to produce calendars, and as more and more calendars were produced by models and other publishing companies, the market demand for fire department calendars began to shrink, to the point where Pleasant Hills was only turning a marginal profit. After losing money this past year, the department decided to turn to other funding sources.

Honorary Memberships

Many departments sell honorary memberships or other kinds of memberships on an annual basis to help raise funds. For prices typically from \$5 to \$15, members of the community receive a small membership card, a certificate for their wall, or a sticker for their car.

Raffles

Raffles are a classic way to raise funds. Many items can be raffled off, and large amounts of money can be raised. Raffles work best when the fund-raising is targeted towards a specific goal, such as a new engine or other piece of apparatus. The downside to raffles is that the members of the organization must sell tickets. This creates a time burden, is considered unpleasant by many, and may receive some resistance. A method of

financial accountability must be established due to the large sums of money that will be collected by many members of the department.

Usually the items raffled are donated or purchased at significant discount. Automobiles, TV's and vacation trips are among the things often raffled, but sometimes more interesting items are used. The Armingers, Maryland Volunteer Fire Department raised funds through the raffle of a large hot tub. To promote their raffle they sold tickets at a booth during the Maryland State Firemen's Convention. They also towed the hot tub on a trailer behind their apparatus during the annual convention parade. The Libertytown Volunteer Fire Department in Frederick County, Maryland makes almost \$10,000 profit on an annual raffle of a pickup truck.

Some fire departments, especially in rural areas, have raffled guns. However, members of an urban fire department in the East received bad publicity after a raffle of hunting rifles and handguns raised \$10,000. Some members of the community were upset that the guns were being promoted. Such sensitivities must be considered. What works in a rural area may not work on an urban area, and vice versa.

OTHER PRIVATE SECTOR SOURCES

Undoubtedly there are many other ways to raise money from the private sector. Two topics that did not quite fit above are presented here.

Movie Production

Movie producers often contract with local fire and EMS agencies to provide vehicles and other assets if they are called for in the script. This can be a source of funds or of nearly-new equipment. San Francisco received a new chief's car for assisting in the making of the movie, "The Towering Inferno."

Another opportunity is for EMS agencies or fire departments to provide EMT standby personnel during filming. Film contracts and work rules often require on-site emergency medical capabilities to be provided. Fire/EMS departments can earn sizable donations or may formally contract for the services. Check with local and state film commissions to find out what filming may be going on in your area; then contact the production company directly, if they have not already approached you.

Special events such as auto races, circuses, and fairs also require EMS protection. Fees are usually charged for providing on-duty personnel or, more often, using personnel on overtime or off-duty. (See discussion of fees in Chapter II.)

Advertising

Advertising, while not a source itself, is a technique that can be applied to many private fund-raising activities described in this chapter, and is given special treatment here.

Advertising is sometimes considered taboo in the fire service, but can be a valuable means of raising revenues in several ways. First, ads can be used to solicit funds as part of fund drives. Ads may refer to the amount needed ("million dollar drive"), the purpose of the money ("new station"), or benefits ("faster ambulance response time"). Fire stations and vehicles themselves can be used to provide the space for temporary ads for fund drives. Message boards placed in front of stations can be used to remind residents that a fund drive is in place or that donations of equipment are welcome. (These are also suitable places to put up recruiting ads.)

Another way to use advertising for fund raising is to publicize the people or organizations who make the donations. Sometimes this is simply an acknowledgement and sometimes it is an openly traded quid pro quo. Safety trailers used in public often have a list of donors or set of plaques showing the various organizations that donated time, money, or materials. Sometimes the company that funds a project may display its logo on the

side of the trailer, or put one on printed prevention materials. Automobile dealerships have displayed logos on utility vehicles that they donated to departments. The Atlanta, Georgia Fire Department is planning to show the corporate name of the designer and donor on a new special purpose, high-tech vehicle that will be built for it. The La Habra, California fire department shows the corporate donor's name on its heavy rescue vehicle. The Melbourne (Australia) Fire Brigade has displayed the logo of a health insurance provider on the side of its fire vehicles in return for the insurance company financing a public fire education campaign for the Fire Brigade.

City-owned public transportation such as buses and subways have sold advertising space on the sides of vehicles, at waiting areas, and inside vehicles for decades. This outright sale of space probably is not palatable to most fire/EMS agencies. Care also must be taken not to make it difficult to recognize emergency vehicles by covering them with corporate logos, like race cars. On the other hand, many corporations may not require or even want to have their name crassly attached to donations; this must be discussed with the donor.

V. OVERALL SUMMARY AND OBSERVATIONS

Most career fire and rescue departments today do not depend on a single source of revenues for funding fire protection and EMS. The same is true for volunteer departments -- there usually is a package of funding approaches.

Career Departments

Perhaps most typical for career departments, the local government provides a budget for the fire department from general revenues and the fire department supplements that with a variety of fees for special services. The package of funds other than the portion from general revenues often amounts to less than 10 percent of the budget.

Increasingly, especially in states where property taxes or other taxes have been limited by state legislation, other sources are sought that provide a significant part of the budget. The benefit assessment charges used in states such as Washington and California to get around limitations on property taxes are good examples; they often provide up to 40 percent of the funding of the fire departments that use them.

Prevention now is almost always funded in part by inspection fees, and sometimes by a broader range of fees than that. Many prevention-oriented fees are used not only to raise monies, but also to help deter fires, hazardous materials incidents, and false alarms, and to punish code violators. Because prevention budgets are generally low, typically less than 3 percent of an American fire department budget, the prevention-oriented fees can provide a significant portion of prevention budgets, though they tend to comprise a small amount of the overall department budget.

Emergency medical services are increasingly becoming self-supporting, or at least paid to a large extent by the users. Emergency medical transport is now frequently paid for by a transport fee or subscription service that at least covers the incremental cost of providing the transport, and sometimes pays for part of the basic medical service as well. Fees for EMS care without transport are also on the rise. The majority of EMS fees are paid by medical insurance.

Many states offer grants, loans, services-in kind (especially training) and access to federal grant programs to their local fire and EMS agencies. The state fire marshal or equivalent office and the state EMS coordinator's office are two starting points to check, but a variety of other state offices such as health, occupational safety, forestry, and transportation also may have programs. The available Federal programs are described in a USFA guide that should be consulted.

Private sources such as corporations and foundations are good sources for funding capital purchases, pilot programs, and prevention resources. The local private sources should be researched and groomed over time. Local media can help publicize and "reward" donors.

Innovative funding approaches are not restricted to large departments. In fact, large departments often are tied up by local legislation and politics and may use a smaller range of approaches than some smaller departments: Issaquah, Washington has one of the most exemplary cost recovery programs in the nation.

Volunteer Departments

Volunteer departments have traditionally been highly creative in fund-raising efforts. The funding for volunteer and combination departments varies dramatically from community to community. Some communities pay for all expenses of volunteer departments (other than labor), and some pay nothing.

Volunteers have freedom to go much beyond career departments in raising funds from the public. Some volunteer departments are largely funded by door-to-door or direct mail solicitation. Others largely depend on special fund raising events ranging from carnivals to picnics to sports events. Sales of goods and services, in which the fire department shares proceeds with a vendor is also common.

The particular approaches that are most profitable depend on the nature of the community, local history and what proves most palatable to the public. Volunteer fire department special events may be a significant, welcome addition in a small community but may not work as well in suburbs — there are counter examples of each.

A variety of methods should be considered, and those most cost-effectiveness retained. The volunteer time involved in fund-raising must be respected so that it is not a problem in retention and recruiting. Volunteers who like to run events or are willing to help raise funds and may not necessarily want to be firefighters or paramedics can be of great assistance.

Final Observations

Considering the many fire and EMS department fund-raising programs reviewed in this study, the following observations are offered:

- 1) Funding is a critical issue in the fire service and among emergency medical service providers today. They need all the help they can get in finding ways to raise funds to provide adequate emergency services at a time when local government budgets are extremely tight and often being reduced in many sections of the country.
- 2) Local fire and EMS departments should evaluate the wide array of techniques available to them, and consider which might be added to their existing repertoire. This is a life safety issue. You can't put out fires or save heart attack victims without the forces and equipment to do it, and those forces and equipment depend on funding. Raising adequate revenues is as important for the life safety of the community as providing the proper training.
- 3) Most local fire and EMS departments are using a package of fund-raising sources. There are usually one to three major sources and a variety of minor sources.
- 4) Local fire and EMS departments should make it a point to share methods for fund-raising with each other. Report successful methods to the fire literature and at fire meetings.
- 5) Many of the alternative funding sources identified here are ways to cope with inadequate taxing levels. It would be simpler to have one funding source instead of dealing with many. However, the public may be more willing to pay taxes or fees earmarked for public safety than other services. And the public may prefer user fees to direct taxes. That is their democratic choice.

- 6) Some funding sources come with a hidden iceberg of problems. One needs to carefully consider the tax implications, long term commitments, legal constraints, and public image associated with new funding approaches.
- 7) Funding for emergency medical service is -- or should be included -- in the general health care cost debate. Since EMS calls make up 60 to 75 percent of the emergency calls in many fire departments today, the method of paying for EMS may have a large impact on the fire/EMS service of the future. Subscription plans and transport fees are highly dependent upon how health insurance gets paid. The fire service and emergency medical service providers should consider participating more in the discussion on health care costs, and at a minimum monitoring it carefully for impact on EMS costs and fee structures. Charges for medical and transport services can go a long way toward offsetting shortages in general revenues. On the other hand, turning off the spigot of insurance for non-critical transport could cause a surge requirement in taxes.
- 8) Collection methods must be considered in adopting new fees. It would not be wise to have collection costs consume a large portion of the fees to be collected unless the primary purposes of the fees are deterrents rather than cost recovery. The net amount of money received, not the gross amount billed, is the key financial statistic for a new source.
- 9) Fire and EMS departments need to be aware of state and local legal constraints on revenue raising. The fire service needs to express its views on the need for authority to raise funds in ways acceptable to the public. Benefit assessment charges are legal in some states and not in others; likewise, bingo.

- 10) Fire academies might consider adding more information on alternative funding sources to management courses. A full course may even be justified on that subject, which has become of grave importance in many communities.
- 11) The funding crisis in local government can be used as an opportunity to rethink how fire protection and emergency medical service are delivered. More efficient ways to provide the same or even better levels of service, such as through consolidation or cost-sharing among neighboring communities, may become feasible or even necessary. The discussion of alternatives to funding fire and rescue services is a good time to discuss alternative approaches to service delivery and the levels of service.
- 12) The selection of fund-raising mechanisms, the strategy for fire protection, and the balance between prevention and suppression are intertwined. This is an excellent time to inform the public of its responsibility for preventing fires through safer behaviors, cooperating in arson control efforts, and the option of building in more fire safety into homes. Some of the fees discussed in this report can be used as deterrents to unsafe behaviors.
- 13) The choice of funding alternatives affects the viability of the career and volunteer fire service. If a community does not adequately support its volunteers, it may have to pay a much larger bill either in built-in fire protection or in paying for career protection. Conversely, if a community does not adequately support its career fire service, it needs to consider the viability of reverting to more dependence on volunteers, or to accept higher risks. Public debate on alternative funding should consider these ramifications.

- 14) The choice of funding approaches is a major political decision of an appropriate sort in a democracy. Should citizens pay a common fee into a general fund, with the service going to whomever needs it? Should the citizens pay for services when needed, and not have non-users subsidize users? What happens to low-income families under either philosophy? What happens if one needs a large amount of fire protection or EMS service? The philosophy behind our fund-raising approaches involve issues of governance as much as it does finance and economics.

The way we join together and help each other is the root of civilization; the approach to funding public safety is fundamental, and should be addressed with due care.

An Appeal to Readers

The U.S. Fire Administration would greatly appreciate hearing about other successful ways to raise funds for fire protection and emergency medical service beyond those in this, its first comprehensive report on the subject. The USFA would also like to know about variations on the methods presented here, interesting examples, and significant new problems or advantages beyond those cited here. Please send any information on this subject to:

Funding Alternatives Project Officer
United States Fire Administration
16825 S. Seton Avenue
Emmitsburg, Maryland 21727

APPENDIX
A PARTIAL LIST OF FEDERAL FUNDING SOURCES
RELATED TO EMS

A number of federal programs that in the past offered funding for EMS programs were identified and have been included here. They may at least help get one started in identifying such programs.

UNITED STATES DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration (NHTSA)

Office of Enforcement and Emergency Medical Services

400 7th Street NW (NTS-42)

Washington, DC 20590

Emergency Medical Services Division

- provides Section 403 funds to conduct research and demonstration projects, and to provide technical assistance

NHTSA's Regional Operations

- provides Section 402 State and Community grant funds to enable States to improve highway safety
- EMS is one of the priority areas eligible for Section 402 funding

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

Division of Trauma and Emergency Medical Systems

Parklawn Building, Room 11A-22

5600 Fishers Lane

Rockville, Maryland 20857

- funds state grants for the development of trauma system component of state EMS system
- funds grants for research and demonstration projects to improve the availability and quality of EMS in rural areas
- funds grants to support development of 9-1-1 systems

**Maternal and Child Health Bureau
Emergency Medical Services for Children Program
Parklawn Building, Room 18A-29
5600 Fishers Lane
Rockville, Maryland 20857**

- seeks to improve the ability of EMS to care for children by providing state implementation grants and targeted issue grants
- 35 states have received EMSC State Implementation grants, and nine Targeted Issue Grants have been awarded
- established the National Resource Center Network to provide consultation and technical assistance to States, national organizations, current grantees, and prospective grantees

**Emergency Medical Services for Children
National Resource Center (NRC)
Children's National Medical Center
111 Michigan Avenue, N.W.
Washington, DC 20010-2970**

- EMSC Grant Alert (fact sheet); consultation on Federal/private funding

**National EMSC Resource Alliance (NERA)
c/o REI/Harbor-UCLA Medical Center
1124 West Carson Street, Building N-7
Torrance, California 90502**

- facilitates technical assistance teams for program assistance

Office of Rural Health Policy
Parklawn Building, Room 9-05
5600 Fishers Lane
Rockville, Maryland 20857

- supports projects to provide, enhance, or revitalize health care, including EMS, in rural areas

Agency for Health Care Policy and Research (AHCPR)
Executive Office Center
2101 East Jefferson Street, Suite 501
Rockville, Maryland 20852

- promotes research on a wide range of topics associated with the practice, organization, and outcomes of primary care
- doctoral dissertation research grants
- institutional health services research grants
- individual health services research fellowships
- *Research Activities*, information and funding newsletter, contact Media and Public Affairs (301) 594-1364

National Institutes of Health
9000 Rockville Pike Boulevard
Bethesda, Maryland 20892

NIH Guide for Grants and Contracts
Printing and Reproduction Branch
National Institutes of Health
Room B4BN23, Building 31
Bethesda, Maryland 20892
(301) 496-1787

- *NIH Guide* announces scientific initiatives and provides policy and administrative information

Centers for Disease Control (CDC)
National Center for Injury Prevention and Control
1600 Clifton Road, NE
Mail Stop F-36
Atlanta, Georgia 30333

- extramural research grants to Federal, State and private sector agencies for injury control research projects and for the development of injury control research centers in university settings
- has authority to provide assistance to public and non-profit private entities, scientific institutions and individuals engaged in research related to causes, mechanisms, prevention, diagnosis, treatment of injuries and rehabilitation
- intramural research programs focus on injury surveillance, technical assistance for investigations of injury outbreaks/clusters, and epidemiologic analysis of priority injury problems

DEPARTMENT OF AGRICULTURE

Rural Development Administration
Community Facilities Division
14th & Independence Avenue, SW
Washington, DC 20250

- promotes economic development in rural America by (1) financing needed community facilities, (2) assisting business development, and (3) developing effective national strategies for rural economic development. Assists rural Emergency Medical Services by providing guaranteed loans for essential facilities including major equipment. This includes hospitals, clinics, EMS buildings, ambulances, Computerized Axial Tomography (CAT) scanners, hydraulic tools, radio and telemetry equipment.

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